



MARVIN MANDEL
GOVERNOR

STATE OF MARYLAND 2-3-10-55
MARYLAND COMMISSION ON FUNDING
OF PUBLIC EDUCATION

790002

ROOM H-2 STATE HOUSE
ANNAPOLIS, MARYLAND 21404

AREA CODE 301
269-2377

R. KENNETH BARNES, CHAIRMAN
BENJAMIN L. CARDIN, VICE-CHAIRMAN

EDWARD J. ANDERSON
JAMES A. BRASWELL
JAMES CLARK, JR.
JOHN L. CREW
RICHARD N. DIXON
WAYNE B. HAMILTON
FRANK O. HEINTZ
DAVID HORNBECK
JOSEPH N. MCGOWAN
LUCILLE MAURER
SUE V. MILLS
GEORGE A. PRICE
A. A. ROBERTY
RICHARD SCHIFTER
THOMAS W. SCHMIDT
ANN C. STOCKETT
RAYMOND T. TILGHMAN
VERDA F. WELCOME
E. HOMER WHITE, JR.



REPORT OF THE GOVERNOR'S COMMISSION
ON THE
FUNDING OF PUBLIC EDUCATION

December 1978



STATE OF MARYLAND
MARYLAND COMMISSION ON FUNDING
OF PUBLIC EDUCATION

ROOM H-2 STATE HOUSE
ANNAPOLIS, MARYLAND 21404

December 29, 1978

AREA CODE 301
269-2377

MARVIN MANDEL
GOVERNOR

R. KENNETH BARNES, CHAIRMAN
BENJAMIN L. CARDIN, VICE CHAIRMAN

EDWARD J. ANDERSON
JAMES A. BRASWELL
JAMES CLARK, JR.
JOHN L. CREW
RICHARD N. DIXON
WAYNE B. HAMILTON
FRANK O. HEINTZ
DAVID HORNBECK
JOSEPH N. MCGOWAN
LUCILLE MAURER
SUE V. MILLS
GEORGE A. PRICE
A. A. ROBERTY
RICHARD SCHIFTER
THOMAS W. SCHMIDT
ANN C. STOCKETT
RAYMOND T. TILGHMAN
VERDA F. WELCOME
E. HOMER WHITE, JR.

The Honorable Blair Lee III
Acting Governor of Maryland

Dear Governor Lee:

The Final Report of this Commission, appointed pursuant to the Governor's letter of January 11, 1977, is transmitted herewith.

This letter requested us to determine:

- (a) "what, if any, additional aid program should follow the Maurer Plan after it reaches its final plateau in FY78;
- (b) "the feasibility of consolidating the current expense foundation program with one or more of the other State-funded programs (e.g., employer costs of retirement and social security, school transportation, special education, and debt service for school construction bond issues); and
- (c) "the support of public education in a manner that will provide reasonable equality of opportunity among all students without placing too heavy a burden on the taxpayers and without limiting unduly the freedom of local school boards to satisfy the needs and wishes of their respective constituencies."

In its "Interim Program Proposal of State Aid for Basic Current Expenses" for fiscal 1979, the Commission recommended that the existing Lee-Maurer formula be retained on a modified equalization basis. Under this approach, and as submitted in your Administration Bill (HB 853), the 1978 General Assembly enacted the Commission's funding recommendation: the per pupil expenditure for the basic program was increased to \$690, the additional \$66 per pupil being shared on an increased equalization basis of 50% State/50% local. In addition, a second Administration Bill (HB 852) was enacted which provided an increase from \$75 to \$100 per pupil in "density aid" in recognition of the additional costs of serving a great number of disadvantaged pupils in the Baltimore City school system.

I am pleased to submit the Final Report of the Commission which recommends that:

1. The basic principles of the Lee-Maurer formula be continued with the following adjusted actions:

- a. (1) The State enact legislation to equalize fully a program requiring a fiscal 1980 expenditure of \$782 per pupil (the fiscal 1978 base of \$624 per pupil be continued at 55% State/45% local with the additional \$158 being further equalized at a 50% State/50% local match).
- (2) The fiscal 1980 Governor's budget request contain an item approximating \$331,600,000, or an increase of \$36,000,000 over the fiscal 1980 budget estimate were the current \$690 program to be continued and estimated adjustments made for the projected wealth and enrollment calculations.
- b. The State move toward a total program that would fund 50% of the cost of a basic education program by fiscal 1984. Using certain assumptions described in the Commission's report, the fiscal 1984 estimated expenditure would be \$1,212, or \$624 at a 55% State share and the additional \$588 further equalized at a 50% State share. Were this proposal to be found feasible of implementing, the Statewide increase over a continuation of the current formula is estimated as \$182,400,000 by fiscal 1984. This longer range proposal was recommended in principle only because it is understood that Governor-elect Hughes has indicated a commitment to the study of all State/local fiscal relationships. The Commission concurs that future review of public education funding should examine its interrelationship with the totality of State/local financing.

2. Concerning the feasibility of consolidating the current expense foundation program with one or more of the other State funded categorical programs, the Commission recommended that:

- a. A "compensatory education" program for disadvantaged pupils be substituted for the

present "density aid" program. The expanded program proposes to provide State funds for not only Baltimore City, but for other local school districts having a particular need to offer special services for children from poor families. Various distribution proposals indicated a range of funding from \$14.7 million to \$18.8 million, and the Commission's specific recommendation is attached as Exhibit A.

- b. Existing State funded programs such as school transportation, school construction, and teacher's social security and retirements costs should be continued with necessary adjustments under their present categorical authorizations. While the Commission considers most of these programs a part of the basic costs of public education, it could not obtain a majority vote on including one or more of them in the State aid for basic current expense program. Rather, it included these costs in arriving at the cost of a State median basic program of public education and "backed out" these mostly 100% State funded programs when determining the 50% State share of an equalized foundation program.

We believe that the charges contained in the Governor's letter of January 11, 1977 have been met. This report represents the conclusions and recommendations of a majority of the Commission with certain minority positions being appended hereto. Despite expected differences of opinion, Commission members are commended for their time, effort and intelligent discernment of this important and complex State/local program. Various other concepts and proposals are presented in the Commission's Final Report which are recommended for later review and action by the Executive and Legislative branches.

Among the many persons who contributed to the Commission's effort are Mr. David Ricker and staff of the State Department of Education for the technical work on formula variation; Mrs. Sheila Tolliver in reviewing alternatives and coordinating the Commission members' varied recommendations; and Mrs. Joyce Tuchmann for an accurate preparation of the Commission's voluminous minutes.

Respectfully submitted,



R. Kenneth Barnes
Chairman

ROSTER OF GOVERNOR'S COMMISSION MEMBERS

Dr. R. Kenneth Barnes, Chairman
Executive Aide for Education, Governor's Office

Honorable Benjamin L. Cardin, Vice-Chairman
House of Delegates, Baltimore City Delegation

Dr. Edward J. Anderson
Superintendent of Schools, Anne Arundel County

Mr. James A. Braswell
Employee Relations Office, Department of Education
Prince George's County

Honorable James Clark, Jr.
State Senate, Howard and Montgomery Counties

Dr. John L. Crew, Sr.
Superintendent of Public Instruction
Baltimore City Public Schools

Mr. Richard N. Dixon
President, Carroll County Board of Education

Honorable Wayne B. Hamilton
Board of County Commissioners, Garrett County

Dr. David W. Hornbeck
State Superintendent of Schools

Mr. Joseph N. McGowan
President, Baltimore County Board of Education

Honorable Lucille Maurer
House of Delegates, Montgomery County Delegation

Mrs. Sue V. Mills
Prince George's County Board of Education

Honorable George A. Price
House of Delegates, Baltimore County

Dr. A. A. Roberty
Superintendent of Schools, Harford County

Mr. James B. Rowland
Executive Aide, Governor's Office

ROSTER OF GOVERNOR'S COMMISSION MEMBERS
(continued)

Richard Schifter, Esquire
President, State Board of Education

Honorable Thomas W. Schmidt
Secretary, State Department of Budget and Fiscal Planning

Honorable Ann C. Stockett
Anne Arundel County Council

Honorable Raymond T. Tilghman
President, Charles County Board of County Commissioners

Honorable Verda F. Welcome
State Senate, Baltimore City

Honorable E. Homer White, Jr.
State Senate, Somerset, Wicomico and Worcester Counties

TABLE OF CONTENTS

INTRODUCTION	1
THE MARYLAND PERSPECTIVE	1
Early Equalization	1
The Ten-Year Period 1964-1974	1
The Lee-Maurer State Aid for Basic Current Expense Program	2
The Lee-Maurer Adjusted Program, Fiscal 1979.	4
FINAL PROPOSAL OF 1978, GOVERNOR'S COMMISSION ON FUNDING OF PUBLIC EDUCATION	5
Preliminary Commission Deliberations.	5
Discussion of the Adjusted Lee-Maurer Formula	7
Some Comments on Commission Deliberations: Definition of a Basic Program	8
FINAL RECOMMENDATIONS OF THE COMMISSION.	8
RECOMMENDATIONS FOR FURTHER STUDY.	10
"Weighted Pupil" Formula.	10
Cost-of-Education Differentials Among School Districts	10
An Extended Elementary Program (Education of 4-Year-Old Children)	11
A State Aid Formula for Vocational-Technical Education	11
The Wealth Factor in a State Aid Formula.	13
One Final Point	13
MINORITY REPORTS	15-17

INTRODUCTION

THE MARYLAND PERSPECTIVE

Early Equalization

Since the adoption in 1922 of one of the first equalization programs in the nation, the State of Maryland has endeavored to provide all its children the guarantee of a foundation program of education. The chronology of Maryland's historical perspective was detailed in the Commission's Interim Report and, therefore, need not be repeated here. In summary, however, it is noted that between 1922 and 1964, the Maryland General Assembly made changes in the equalization aid program seventeen times, these changes largely involving modification (usually upward) in salary scales and local tax rates and occasionally program expansion. Usually the State's new foundation program was set near the average local expenditure. However, because of inflation and increases in pupil enrollment, local education agencies' expenditures increased beyond that level. As a result, continued pressure was put upon the General Assembly to provide another upward State dollar adjustment.

The Ten-Year Period 1964-1974

In 1964 the law was amended substantially to express the State aid for basic current expense in terms of a per pupil expenditure (\$340). The change provided for rather detailed calculations the major features of which were (a) a staffing allowance of 45 professionals per 1,000 pupils, (b) "other costs" allowances of \$61 per pupil, (c) a guaranteed minimum State aid of \$98 per pupil, (d) a new pupil allowance, (e) an adjustment for school district differences in costs of meeting mandatory salary schedules, (f) requirement that local effort be expressed as a percentage of real property tax assessment plus net taxable income. In addition, an incentive program was included to encourage local school districts to staff beyond 45 per 1,000 pupils.

In 1967 the program was expanded to include kindergartens; minimum salaries were increased; a program of "density aid" was added in recognition of the high incidence of culturally disadvantaged children in Baltimore City; and provision was made to stabilize the State's share of the basic current expense program. These amendments required an increase in State aid of \$40,000,000.

The Lee-Maurer State Aid for Basic Current Expense Program

In 1973, based on a formula devised by Delegate Lucille Maurer, the Lee Commission recommended, and the General Assembly approved, the State aid basic current expense program now in effect. This formula was designed to improve equalization, simplify the computation and to avoid drastic damage to the school system or taxpayers of any particular jurisdiction. In brief, it provided that:

1. The basic current expense program be increased to an expenditure based on \$610 per pupil. This was later increased to \$624.

2. The State share of the Lee-Maurer program was set at 55% with the 45% local relative shares varying among school districts in relation to wealth.

3. Local governments were required to tax themselves at a rate required to pay their Statewide share of 45%. All pay the same rate; but their contributions vary from year to year according to wealth.

4. There were no minimum guarantees or continuing save harmless provisions; thus, equalization was improved.

5. The program costs of the Lee-Maurer formula were phased in over a 5-year period. It was projected in 1973 that the State share would increase by approximately \$21,000,000 each year until by the fifth year, fiscal 1978, the State's share would have increased by \$105,000,000. Because of an unanticipated declines in enrollment, this amount only reached approximately \$89,000,000.

Table I entitled "State Aid for Current Expenses - Five Years State Share 1973-1978 (Projected)" shown on page 3 of this report, provides ample evidence that the Maurer Plan furthered the cause of equalization. For example, and as discussed in the Governor's charge to this Commission, "... In Worcester County, which has the greatest wealth per pupil in Maryland, State aid has declined from \$163 per pupil at the outset to \$85 in the fifth year. Montgomery has gone from \$167 to \$190 over 5 years, while neighboring Prince George's increased from \$179 to \$348. The largest gains have been in the districts where the need was greatest: \$302 to \$430 in Baltimore City, \$265 to \$437 in Allegany, \$225 to \$425 in Charles, and so on."

The median State aid in fiscal 1978 was \$343 per pupil. In addition, there are a variety of categorical programs funded largely or entirely by the State such as the employer

TABLE 1
State Aid for Current Expenses - Five Years
State Share 1973-1978 (Projected)

Local Unit	Total State Share					Budget 1977	Projected 1978	Amount Per Pupil				
	1973	1974	1975	1976	Budget 1977			Projected 1978				
Total State	196,349,974	214,620,908	235,731,169	252,304,961	269,265,102	284,904,305	220.61	244.13	267.96	292.95	318.11	343.20
Allegheny	4,433,122	4,989,123	5,409,821	5,695,591	6,014,174	6,547,774	264.81	298.03	328.92	358.79	389.61	433.82
Anne Arundel	17,301,164	19,381,289	21,907,670	23,601,890	25,487,510	27,017,076	231.80	259.67	289.76	314.60	339.77	364.20
Baltimore City	54,445,220	54,020,619	58,966,143	61,744,550	64,586,848	67,872,490	302.43	300.08	334.78	368.51	408.57	442.98
Baltimore	21,430,611	24,268,111	26,926,746	29,360,169	31,237,619	31,655,559	167.42	109.58	215.59	240.81	262.11	274.59
Calvert	1,591,014	1,776,516	2,022,196	2,200,033	2,005,730	2,089,491	261.74	292.26	319.01	338.46	364.79	393.78
Caroline	1,625,500	1,773,203	1,911,539	2,065,452	2,172,198	2,306,927	313.11	344.56	372.47	402.62	428.38	463.38
Carroll	3,920,506	4,702,011	5,310,571	5,762,423	6,423,506	7,264,424	226.26	271.36	298.31	320.66	347.63	382.81
Cecil	3,136,131	3,093,604	4,505,674	4,825,398	5,185,150	5,588,256	256.14	312.04	345.09	371.41	401.97	434.46
Charles	3,387,209	3,979,157	4,752,756	5,572,206	6,283,893	6,855,027	224.83	264.12	305.30	344.82	383.82	408.60
Chesapeake	1,555,446	1,683,118	1,836,273	2,051,108	2,233,273	2,304,186	250.53	271.10	300.66	340.26	375.59	394.55
Frederick	4,215,644	4,902,652	5,647,582	6,304,054	7,104,305	8,124,236	202.29	235.25	265.93	294.53	327.99	369.29
Garrett	1,808,520	2,045,859	2,152,990	2,218,921	2,318,116	2,486,762	312.14	1353.10	372.30	307.97	402.92	425.98
Harford	7,821,196	9,093,452	10,319,726	11,226,161	12,213,722	13,387,970	249.99	290.66	322.21	349.70	377.06	409.53
Howard	3,176,151	3,861,403	4,587,260	5,097,641	5,836,892	6,429,192	161.34	196.15	216.49	229.38	252.22	270.29
Kent	802,050	825,925	938,890	989,692	1,050,803	1,091,258	213.08	219.43	253.72	279.77	301.22	326.92
Montgomery	20,454,621	21,369,783	21,318,028	21,527,716	22,003,780	21,015,961	167.38	174.86	175.90	180.60	187.35	185.91
Prince George's	28,032,233	33,376,200	36,825,398	40,884,782	44,930,188	49,511,159	179.34	213.53	246.34	279.94	313.15	353.39
Queen Anne's	1,009,617	1,000,062	1,113,319	1,268,685	1,393,667	1,560,714	220.06	235.41	259.93	282.65	302.27	330.73
St. Mary's	3,543,705	3,755,562	4,194,797	4,508,824	4,715,071	4,958,597	313.23	331.95	365.00	391.83	412.64	427.87
Somerset	1,434,284	1,566,294	1,660,822	1,723,997	1,767,432	1,879,681	328.40	358.62	386.33	408.57	428.99	460.20
Talbot	746,004	824,969	908,212	864,593	772,845	708,904	153.70	169.97	189.11	185.21	172.30	162.02
Washington	5,719,512	6,495,557	7,114,819	7,778,184	8,232,933	8,711,095	246.33	202.02	314.13	346.29	371.80	401.16
Wicomico	3,661,267	3,895,637	4,257,181	4,250,764	4,743,281	4,982,557	263.90	280.79	311.77	337.44	362.92	387.09
Worcester	1,039,227	1,060,802	1,022,756	861,327	532,166	485,089	162.96	166.35	159.69	136.38	87.03	80.72
Maryland State Department of Education												
State Aid Unit - A42 - 8/16/77												

Maryland State Department of Education
State Aid Unit - MSU - 8/16/77

share of teacher retirement and social security, transportation, handicapped children, and school building construction aid which, when added to the State aid for basic current expenses, have increased State aid for elementary and secondary education from \$404,239,000 in fiscal 1973 to a fiscal 1978 appropriation of \$667,073,000.

The Lee-Maurer Adjusted Program, Fiscal 1979

As a result of the termination of additional increments in the aid to education, "State Share of Basic Current Expenses" (Lee-Maurer) formula in fiscal 1978, and substantial Statewide interest in the funding of public elementary and secondary education, the Governor on January 11, 1977 created the Governor's Commission on the Funding of Public Education. In his charge to the Commission, the Governor noted that one of the State's most important and least understood problems is the application of State and local resources to the support of public education in a manner that will provide reasonable equality of opportunity among all students without placing too heavy a burden on the taxpayers.

The Governor noted that the 1972 Governor's Commission on Funding Public Education recommended consolidation of numerous State aid devices into a single and relatively simplified foundation program for the support of current expenses of public education. As enacted by the General Assembly, the program was originally estimated to require a \$105 million increase in State aid, this amount to be phased in over a 5-year period. However, because of underestimated declines in student enrollment, the fifth-year cost approximates \$89.2 million higher than State aid for current expenses in fiscal 1973.

Further, because of estimated continuing decreases in student enrollment in the immediate years ahead, the State share of basic current expenses would have declined under the Lee-Maurer formula in fiscal 1979 and early subsequent fiscal years, thus placing the increasing burden of future inflationary costs on local governments.

In a series of meetings throughout 1977, the Commission judged that the Lee-Maurer formula is inherently equalizing. However, many Commission members expressed the opinion that the Lee-Maurer basic aid formula provides a level of funding which is inadequate in total. Therefore, while numerous methodologies and approaches were studied, the Commission recommended that the existing program of "State Aid for Basic Current Expenses" as provided in Section 5-202 of the Education Article, Annotated Code of Maryland, be retained on a modified improved equalization basis for fiscal 1979. The modifications provided that:

1. The State shall guarantee and share in an expenditure

for basic current expenses of \$690 multiplied by the number of pupils enrolled in each subdivision.

2. County Share. To be eligible to receive the State share of basic current expenses, the county governing body shall levy an annual tax sufficient to provide an amount of revenue for elementary and secondary public education purposes equal to the product of the wealth of the county. The sum of the basic current expenses to be shared for all the counties shall be multiplied by 0.45 for the first \$624 times pupil enrolled and 0.50 for an additional \$66 times pupils enrolled. The product shall then be divided by the sum of the wealth of all the counties, and the resultant quotient shall be the uniform percentage.

3. State Share. The State share of basic current expenses for each county shall be the difference between the county share calculated in paragraph 2 supra and the basic current expense total as calculated above.

Table II shows the results of applying the above by comparing the Lee-Maurer formula for fiscal 1979 funded at the \$624 level then provided by law with the recommendation, which was accepted by the Governor via an Administration Bill (HB 853) and enacted into law by the 1978 General Assembly. In general, the adjusted formula provided for State basic current expense funding of \$305.2 million, or an increase of \$26.9 million.

In addition, in recognition of the additional costs of providing educational services to disadvantaged pupils, a second Administration Bill (HB 852) was enacted which provided an increase from \$75 to \$100 per pupil in "density aid" for Baltimore City.

FINAL PROPOSAL OF 1978
GOVERNOR'S COMMISSION ON FUNDING OF PUBLIC EDUCATION

Preliminary Commission Deliberations

In the second and final year of the Commission's deliberations, its early meetings addressed the following:

1. It reviewed the 1978 General Assembly's enactment of HB 853 and HB 852, which implemented the Commission's interim funding recommendations.

2. Since the Commission does not have a staff, the utilization of Federal funds (Project SPEAR) possibly available to the State Department of Education as provided in Section 842 of P.L. 93-380 for the employment of consultants was requested. These consultants would be utilized to determine (a) the extent to which Maryland's present State/local funding

Final State Aid for Current Expense FY 1979.

Aid Based on Current Formula/Aid Based on 1977 Governor's Commission Recommendation

Local Unit	Current Formula			Governor's Commission, 1978		
	Total to be Shared: Enrollment x \$624 *	Local Share	Aid Per Pupil State Share	Total to be Shared: Enrollment x \$690 **	Local Share	Aid Per Pupil State Share
Total State	505,933,303	227,603,566	278,329,737	559,445,479	254,259,837	305,185,642
Allegany	9,137,232	2,693,908	6,443,324	10,103,670	3,009,411	7,094,259
Anne Arundel	45,769,620	19,677,854	26,091,766	50,610,638	21,982,467	28,628,171
Baltimore City	92,147,172	25,055,901	67,091,271	101,893,507	27,990,376	73,903,131
Baltimore	68,821,135	38,824,670	29,996,465	76,100,293	43,371,703	32,728,590
Calvert	4,464,252	2,359,047	2,105,205	4,936,432	2,635,332	2,301,100
Caroline	3,064,932	810,646	2,254,286	3,389,108	905,587	2,483,521
Carroll	12,126,429	4,770,598	7,355,831	13,409,032	5,329,317	8,079,715
Cecil	8,051,160	2,421,509	5,629,651	8,902,725	2,705,110	6,197,615
Charles	10,721,880	3,416,811	7,305,069	11,855,925	3,816,978	8,038,947
Dorchester	3,516,864	1,283,600	2,233,264	3,888,840	1,433,931	2,454,909
Frederick	14,184,144	5,821,808	8,362,336	15,684,390	6,503,641	9,180,749
Garrett	3,589,248	1,181,209	2,408,039	3,968,880	1,319,548	2,649,332
Harford	20,302,551	6,905,106	13,397,445	22,449,937	7,713,812	14,736,125
Howard	15,347,436	8,637,900	6,709,536	16,970,722	9,649,546	7,321,176
Kent	2,005,536	933,990	1,071,546	2,217,660	1,043,376	1,174,284
Montgomery	67,803,528	49,358,752	18,444,776	74,975,055	55,139,507	19,835,548
Prince George's	84,596,928	36,012,178	48,584,750	93,544,680	40,229,821	53,314,859
Queen Anne's	2,985,216	1,428,761	1,556,455	3,300,960	1,596,093	1,704,867
St. Mary's	7,394,244	2,192,441	5,201,803	8,176,328	2,449,213	5,727,115
Somerset	2,451,384	663,740	1,787,644	2,710,665	741,475	1,969,190
Talbot	2,708,160	2,053,145	655,015	2,994,600	2,293,603	700,997
Washington	13,312,416	4,822,715	8,489,701	14,720,460	5,387,537	9,332,923
Wicomico	7,797,660	3,031,064	4,766,596	8,622,412	3,386,053	5,236,359
Worcester	3,634,176	3,246,213	387,963	4,018,560	3,626,400	392,160
Maryland State Department of Education						
Budget and Fiscal Affairs - 2/78						
			\$624 per pupil @ 55% State share			
			\$624 per pupil @ 55% State + \$66 per pupil @ 50% State			

provides a thorough and efficient system of public education; (b) the equity of the present system and the need to improve equalization of educational opportunity for pupils in all of the State's school districts; (c) the suitability of the present wealth definition; and (d) the components of an adequate minimum program of basic aid to education.

3. The feasibility of consolidating the current expense foundation program with one or more of the other State-funded programs (e.g., employer costs of retirement and social security, school transportation, special education, and debt service for school construction bond issues) was explored.

Discussion of the Adjusted Lee-Maurer Formula

Concerning paragraph "1" supra, the Commission considered the 1978 General Assembly's enactment of HB 852 and HB 853 as policy acceptance of continuing the Lee-Maurer formula. However, in the interest of exploring possible alternative formulas which might improve equalization among the local school districts, a "wealth per pupil" approach was studied. While calculations on this approach will be provided later in this report, it should be noted that continuous study and comparison of the Lee-Maurer vs. wealth per pupil indicated that Lee-Maurer was the better formula.

The wealth per pupil plan takes one standard school finance variable, wealth per pupil, turns it into a State/local school district ratio, multiplies this ratio (adjusted for ratio variances) to produce an aid allocation. This formula approach does aid low wealth districts, but because all school districts are guaranteed "something" per pupil, it also aids in an unequalizing manner wealthy school districts. In addition, a major weakness of this approach is that, since the State share is computed first, local school districts are required to tax themselves at varying rates to pay their share of the basic foundation program. This also tends to be dis-equalizing.

The Lee-Maurer Plan as adjusted in 1979, and with further adjustments in fiscal 1980 and subsequent years, should increase the equity of the Maryland school finance system. Further deliberations were focused on determining an appropriate level of aid to be distributed under this program. In this regard, the Commission in a consensus opinion accepted the principle that the State/local governments should participate on a 50%/50% basis in the total cost of educational programs. Later in this report, the application of this principle will be shown by utilizing the median cost per pupil as indicating an adequate basic program and adding to that those other categorical programs determined vital to the

basic cost of education. Although assuming cost can be related to adequacy will be questioned by some, equality of education among the states has been restricted primarily and perhaps unfortunately to the question of finance. This assumption enormously simplifies the issues and is generally accepted by many education advocates.

Some Comments on Commission Deliberations: the Definition of a Basic Program

A paper entitled "Principles that Should Govern Public Education in Maryland" (Exhibit B) was submitted to the Commission on March 14, 1978 by State Superintendent of Schools Hornbeck. In that essay Dr. Hornbeck noted that "The current expense formula in Maryland is one of the best in the nation. Best, in this instance, is defined primarily in terms of the degree of equalization that takes place. We enjoy a situation in which there is approximately 1.7 to 1 spending ratio between the highest spending district and the lowest spending district. Many states have a far greater disparity"

Also, this paper noted that while the above disparity needs to be reduced, equal dollars do not necessarily mean equal educational opportunity. In addition, the State Superintendent did not advocate trying to determine the components of a so-called "basic education."

This principle was generally accepted by the Commission when the consultant group employed to conduct studies on recognition of educational needs, cost variations, and wealth definitions failed to deliver a product after several months of effort. Therefore, on recommendation of the State Department of Education, it was agreed to utilize Mr. Ricker and his fiscal staff to prepare the array of formula variations necessary for the Commission to determine the actual cost of public education in Maryland and an appropriate (though not necessarily optimal) level of education and concomitant funding for fiscal 1980 and immediate subsequent years. These data are described in Formulas I through XVII attached as Exhibit C.

FINAL RECOMMENDATIONS OF THE COMMISSION

At its December 7, 1978 meeting, the Commission voted in favor of the following recommendations which are commended to the Governor for Executive and 1979 General Assembly action:

1. The basic principles of the Lee-Maurer formula be continued with the following adjustments:

- a.(1) The State enact legislation to equalize fully a program requiring a fiscal 1980 expenditure

of \$782 per pupil (the fiscal 1978 base of \$624 per pupil be continued at 55% State/45% local with the additional \$158 being further equalized at a 50% State/50% local match).

- (2) The fiscal 1980 Governor's budget request contain an item approximating \$331,600,000, or an increase of \$36,000,000 over the fiscal 1980 budget estimate were the current \$690 program to be continued and estimated adjustments made for the projected wealth and enrollment calculations.

- b. The State move toward a total program that would fund 50% of the cost of a basic education program by fiscal 1984. Using certain assumptions described in the Commission's report, the fiscal 1984 estimated expenditure would be \$1,212 per pupil, or \$624 at a 55% State share and the additional \$588 further equalized at a 50% State share. Were this proposal to be found feasible of implementing, the Statewide increase over a continuation of the current formula is estimated as \$182,400,000 by fiscal 1984. This longer range proposal was recommended in principle only because it is understood that Governor-elect Hughes has indicated a commitment to the study of all State/local fiscal relationships. The Commission concurs that future review of public education funding should examine its interrelationship with the totality of State/local financing.

2. Concerning the feasibility of consolidating the current expense foundation program with one or more of the other State funded categorical programs, the Commission recommended that:

- a. A "compensatory education" program for disadvantaged pupils be substituted for the present "density aid" program. The expanded program proposes to provide State funds for not only Baltimore City, but for other local school districts having a particular need to offer special services for children from poor families. Various distribution proposals indicated a range of funding from \$14.7 million to \$18.8 million, and the Commission's specific recommendation is attached as Exhibit A.
- b. Existing State-funded programs such as school transportation, school construction, and teacher's social security and retirement costs should be continued with necessary adjustments under their present

categorical authorizations. While the Commission considers most of these programs a part of the basic costs of public education, it could not obtain a majority vote on including one or more of them in the State aid for basic current expense program. Rather, it included these costs in arriving at the cost of a State median basic program of public education and "backed out" these mostly 100% State funded programs when determining the 50% State share of an equalized foundation program.

RECOMMENDATIONS FOR FURTHER STUDY

During its two years of deliberation on the funding of public education in Maryland, a number of policy options were considered and either accepted or rejected as follows:

1. "Weighted Pupil" Formula

In recent years, a number of states have attempted a new approach to funding the special needs of students via creating a "weighted pupil" formula based on the relative cost of serving different types of students. Florida, New Mexico and Utah are examples of states utilizing this distribution model.

In view of the history and pattern of educational finance in Maryland, the Commission rejected the use of a weighted pupil approach at this time. It is felt that the primary charge to the Commission was to improve the equity of the State's public education system while leaving the policy determination of funding priorities to the local school districts.

In addition, in view of recent Executive and General Assembly actions implementing new or adjusted categorical programs for special education (Schifter Commission), school construction (James Commission), and school transportation, it is believed that these "categorical aid" programs should not be integrated in and weighted as part of the State aid for basic current expense program. The Commission has recommended that a new categorical program of "compensatory aid" be implemented and most school finance reformists would propose that this aid be allocated via some equalized formula as in basic aid.

2. Cost-of-Education Differentials Among School Districts

There is a premise that pupil equalization can be

measured by school district outlays: per pupil expenditure is hypothecated as a proxy for pupil equality of educational opportunity. However, it is well known that the cost of providing educational service differs among regions and school districts in a state and that equal dollars do not buy equal education. Commission member Maurer proposed that an assessment of the cost of education (a price index based on the local "market basket" of goods) among the local school districts be made, but the Commission declined to act on or endorse this recommendation.

3. An Extended Elementary Program (Education of 4-Year-Old Children)

In a memorandum to the Commission dated December 7, 1978, State Superintendent of Schools Hornbeck proposed that the State initiate a program of services for 4-year old-children in those schools throughout the State where test scores indicate that third-grade children are scoring six months or more behind the national average in reading on standardized tests. The estimated first year cost of providing this service in 105 such schools in Maryland is \$6.3 million. The Commission failed to reach a consensus agreement on this proposal. Noting Dr. Hornbeck's report that one Maryland study "proved conclusively that intensive educational programs for 4-year-old children enable them to reach and retain higher learning levels ...," the Commission agreed to include in this report a statement that "the Commission is heartened to hear of a successful preschool project and urges its continuation."

4. A State Aid Formula for Vocational-Technical Education

During its deliberations, the Commission became aware of the increasing role of vocational-technical education in preparing secondary school students to enter the world of work. In this regard, at the present time approximately 31% of Maryland's high school graduates who do not go on to college are believed not to possess a marketable skill upon graduation.

Testimony presented to the Commission by the Maryland Advisory Council on Vocational-Technical Education suggested that consideration be given to two options for providing increased State funding of vocational-technical education. The expressed need for such funding was based on the fact that vocational-technical education programs generally are more expensive to

provide than academic programs. One of the options proposed was an annual categorical aid grant and the other suggested application of a weighted pupil formula for vocational-technical education program students.

Although the Commission was sensitive to the request for additional resources directed toward vocational-technical education, the funding approach it recently adopted does not incorporate either of the options suggested by the Council. The Commission decided early in the second phase of its deliberations to concentrate on recommending a funding proposal for basic current expenses. Recognizing the constraints of time and limited staff, the Commission decided that a weighted pupil approach incorporating the many factors affecting program costs would require more extensive analysis than it would be able to provide. Some members questioned the appropriateness of directing the use of State aid funds, and there was considerable controversy over suggestions to include the several programs now funded through categorical State aid. Without such a comprehensive weighting approach, the Commission concluded that weighting for one or two programs would not provide significant improvement. Thus, while the Commission acknowledged that questions remain regarding funding needs in several categorical areas, it directed its energy at an aid formula for basic current expenses, which include vocational education programs to the extent to which local education agencies determine them a priority.

Also of importance to the Commission's decision-making regarding State aid for vocational-technical education was the recognition that the Joint Legislative Committee appointed under the provision of HJR 110 of the 1978 legislative session would be concentrating its efforts on determining need for these programs. Recent indications that the Office of Management and Budget is supporting a decrease of nearly 30% in Federal aid for vocational-technical education are distressing. Although local support for these programs already amounts to approximately 90% of the total cost, declining Federal allocations without compensating aid from other sources can only result in increasing demands on local resources or reduction in vocational-technical programs. The latter consequence would be unfortunate in view of the demonstrated success of vocational-education in providing job training.

5. The Wealth Factor in a State Aid Formula

While many states continue to assess local school district fiscal capacity by assessed valuation of property per pupil, for many years Maryland has utilized the more accepted combination of personal income in addition to property wealth as a determinant of school district fiscal decision. However, the Commission discussed at length a further "fine tuning" of the wealth component of the Lee-Maurer formula by considering a change in the wealth definition to include utility shares and other industrial equipment which may be subject to tax. By voice vote, the Commission adopted this concept in principle, but recommended that it be included in future studies by appropriate Executive and legislative groups.

One Final Point

The Commission's November 17, 1978 meeting included testimony from the individuals and organizations interested in public education in Maryland. While their position papers are too voluminous to include in this report, an attempt to summarize their presentations was included in the minutes of this Commission meeting, a copy of which is included here as Exhibit D.

At this meeting, one item in a new report of the U. S. Department of Health, Education, and Welfare entitled Selected Papers in School Finance 1978 was mentioned. The report itself has just been received and, therefore, was not considered as part of the Commission's deliberation. The mentioned item, however, bears discussion in this report.

Verbal testimony before the Commission indicated that Maryland had done poorly as shown by its ranking fourth worst in "Wealth-Related Disparities" based on 1975 fiscal data. The chart (Table II, p.65) appears somewhat skewed for Maryland as a result of disparately being calculated as the expenditure level in the high wealth quartile divided by the expenditure level in the low wealth quartile.

Table I, p.65 of the report was not quoted to the Commission. It indicates "within state disparities" for the same 1975 year utilizing the measure embedded in Federal regulation: the ratio of expenditures at the 95th percentile of pupils to expenditures at the 5th percentile. Utilizing this measure, Maryland ranks 21st in its within state disparity. There also is some possible error in the data in that states count pupils in different ways (ADA vs. ADM vs. Maryland's pupil count of

all pupils registered on September 30 of each year), and this study did not attempt to adjust for the difference.

The real question to be raised and perhaps answered by further studies is the extent of disparity in spending to be tolerated. For example, if this Commission were to have recommended a steeper equalization (e.g., 45% State share of additional dollars), increased State aid to poorer subdivisions would result at the risk of substantial loss to other counties. Offsetting those losses would require a level of State funding which may exceed the State's long-range ability to pay. While this Commission has chosen a formula which compromises ultimate equality in spending by allowing local subdivisions to supplement funding required by the formula, future study may be aimed at mandatory caps on spending, at full State administration of funding, or at some other absolute method of full equalization.

Proposals brought before the Commission by Dr. John Crew, Superintendent of Baltimore City Schools, and Mr. Ted Smith, Director of Finance for Baltimore County Schools, and attached as Exhibits E and F, offer alternative approaches to closing the gap in educational disparity. Although the Commission adopted neither proposal, future study commissions may find it useful to consider some of the concepts they incorporate.

A statement presented at the November 17 meeting provides appropriate summation and conclusion: "The Commission has performed much work that will prove to be of value in the long range solution of the vexing problems of educational finance. Adoption of a significant, soundly conceived one-year program will give the necessary time for the incoming (Hughes) Administration to give its input into the significant policy issues involved. Also, it will allow opportunity for a result to be achieved that many of us have worked for many years to accomplish."

###



HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

BENJAMIN L. CARDIN
42ND LEGISLATIVE DISTRICT
BALTIMORE CITY
CHAIRMAN
COMMITTEE ON WAYS AND MEANS

OFFICE:
211 ST. PAUL PLACE
BALTIMORE, MARYLAND 21202
HOME:
2509 SHELLEYDALE DRIVE
BALTIMORE, MARYLAND 21209

December 21, 1978

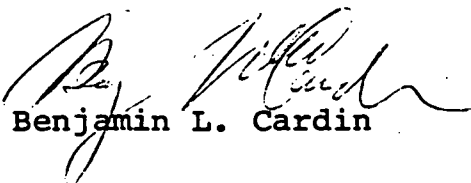
Dr. Kenneth Barnes, Chairman
Governor's Commission on Funding
of Public Education
State House - 1st floor H-2
Annapolis, Maryland 214-1

RE: GOVERNOR'S COMMISSION ON FUNDING OF PUBLIC EDUCATION

Dear Dr. Barnes:

Although I do not wish to offer a Minority Report to the Governor's Commission on Funding of Public Education, I would appreciate that the report contain my concerns about the Commission's failure to include a recommendation which would redistribute, through an equalization formula, the funds that the state is presently spending for social security costs. It appears to me that the only manner in which the state can fully equalize a basic program of education within the resources available is to eliminate 100% state funded programs. These dollars would then be available for a greater equalization program. I would have hoped that the Commission would have moved in this direction by the redistribution of the present state funds used in paying 100% of the social security cost.

Very truly yours,


Benjamin L. Cardin

BLC/lg

Minority Statement

Dr. John L. Crew, Superintendent of Baltimore City Schools

The Governor's Commission on the Funding of Public Education has made recommendations that do not adequately provide for equality of educational opportunity in Maryland.

Exhibit E of this report is a proposal for the funding of current expenses for education in Maryland that was presented to the Commission, October 6, 1978 on behalf of the Board of School Commissioners of Baltimore City. It was proposed as an interim step toward full State funding of education, which is advocated by the City of Baltimore.

While I presented the proposal for the Board of School Commissioners and it was discussed at the October 6 meeting and briefly at Commission meetings thereafter, the Commission approved proposals quite different from our recommendations. It is, therefore, our position that the recommendations of this report are not sufficient to meet the need.



LUCILLE MAURER
NINETEENTH LEGISLATIVE DISTRICT
MONTGOMERY COUNTY

WAYS AND MEANS COMMITTEE

VICE CHAIR
MONTGOMERY COUNTY DELEGATION

CHAIR
COMMISSION ON
INTERGOVERNMENTAL COOPERATION

HOUSE OF DELEGATES

ANNAPOLIS, MARYLAND 21401

OFFICE ADDRESS:
222 HOUSE OFFICE BUILDING
301-269-2651
261-1402-2651 (TOLL FREE)

HOME ADDRESS:
1023 FOREST GLEN ROAD
SILVER SPRING, MARYLAND 20901
301-593-4661

MEMORANDUM

TO: Kenneth Barnes

FROM: Lucille Maurer *LM*

RE: Minority Report

DATE: December 20, 1978

I concur in the recommendations of the Commission with one exception, and that exception relates to a study of geographic cost-of-education differentials.

I urged the Commission to recommend for future study the issue of such cost differentials. All of the studies in Maryland have concentrated on the question of the distribution of state funds. No effort has been made to find out if those state dollars have equal education purchasing power when the dollars are used in each of the subdivisions. The techniques of measuring the purchasing power of education dollars are not fully developed, but more attention is being given to this issue nationally; and a study in Maryland is feasible. I find it difficult to understand why those who press for greater equalization in the name of justice oppose any analysis of the other side of the school aid equation—that is, whether each dollar of aid can obtain equal education services.

I am disappointed the recommendation lost, but the vote was close (7-9); and I believe cost-of-education differentials should be studied in Maryland.

LM:er

Aid for Compensatory Education

Although the Commission reached a consensus opinion that the current program of density aid should be broadened to provide State support for compensatory education where need for such service exists, the members were divided in voting for a specific proposal of aid.

The proposals included as Exhibit A were submitted to the members for action with the understanding that the State Board of Education will develop appropriate guidelines or promulgate necessary bylaws to delineate for local education agencies the specific administration of those State funds.

Commission members' votes on the proposals follow:

<u>Proposal #</u>	<u>No. of Votes</u>
1	4
2	2
3	0
4	4
5	4
6	0

While there is no clear direction on a specific proposal, those proposals receiving four votes each have in common the use of a Lee-Maurer distribution of all or part of the funds. This equalization method is consistent with the Commission's thinking regarding the distribution of funds for basic educational costs.

(Those Above Mean Concentration) 14% Concentration @ 50%/50%

	<u>Local</u>	<u>State</u>	<u>Total</u>
Allegany	\$ 787,932	\$ 169,288	\$ 957,220
Baltimore City	7,289,912	13,447,068	20,736,980
Calvert	823,818	-	567,720
Caroline	250,424	199,116	449,540
Dorchester	390,353	170,527	560,880
Garrett	366,589	244,451	611,040
Kent	285,169	-	256,120
Queen Anne's	458,246	-	294,120
St. Mary's	704,959	251,881	956,840
Somerset	204,576	243,872	448,448
Talbot	650,125	-	432,820
Wicomico	936,680	31,560	968,240
Worcester	<u>1,042,122</u>	<u>-</u>	<u>557,460</u>
		\$ 14,757,763	

Children 73,427

Per Pupil

State \$ 190
Local 190
\$ 380

Local Wealth 11,825,756,000
Local Contribution 13,951,130
Rate .0012

Compensatory Education: Proposed Distribution FY 1980
Direct Payment of \$45 Per Title I Eligible Pupil With Guarantee That No
Subdivision Get Less Than Promised For FY 1980 Under Density Aid

Local Unit	Title I Eligible	Additional Funds Required for Guarantee		Compensatory Education
		Title I Eligible x \$45		
Total State	116,951	5,262,795	13,510,300	18,773,095
Allegany	2,519	113,355		113,355
Anne Arundel	6,024	271,080		271,080
Baltimore City	54,571	2,455,695	13,510,300	15,965,395
Baltimore	7,330	329,850		329,850
Calvert	1,494	67,230		67,230
Caroline	1,183	53,235		53,235
Carroll	1,348	60,660		60,660
Cecil	1,684	75,780		75,780
Charles	2,117	95,265		95,265
Dorchester	1,476	66,420		66,420
Frederick	2,081	93,645		93,645
Garrett	1,608	72,360		72,360
Harford	2,695	121,275		121,275
Howard	867	39,015		39,015
Kent	674	30,330		30,330
Montgomery	5,729	257,805		257,805
Prince George's	10,373	466,785		466,785
Queen Anne's	774	34,830		34,830
St. Mary's	2,518	113,310		113,310
Somerset	1,456	65,520		65,520
Talbot	1,139	51,255		51,255
Washington	3,276	147,420		147,420
Wicomico	2,548	114,660		114,660
Worcester	1,467	66,015		66,015

FY 1980 Distribution of Compensatory Education Funds in LEA's where 14.5% or More of Pupils are Title I Eligible
 Lee-Maurer Distribution @ 55% State Share (14.5% = Number of Title I Eligible
 Statewide ÷ Estimated State Enrollment 9/30/78)

Local Unit	Title I Population	Projected Wealth (000)	Enrollment x \$420	Local Share .00111	State Share 55%
Total State	76,703	13,055,222	32,215,260	13,462,241	18,753,019
Allegany	2,519	656,610	1,057,980	728,837	329,143
Baltimore City	54,571	6,074,927	22,919,820	6,743,169	16,176,651
Calvert	1,494	686,515	627,480	627,480	-
Caroline	1,183	208,687	496,860	231,643	265,217
Dorchester	1,476	325,294	619,920	36,179	583,741
Garrett	1,608	305,491	675,360	339,095	336,265
Kent	674	237,641	283,060	263,782	19,298
Queen Anne's	774	381,872	325,080	325,080	-
St. Mary's	2,518	587,466	1,057,560	652,087	405,473
Scmerset	1,456	170,480	611,520	189,233	422,287
Talbot	1,139	541,771	478,380	478,380	-
Washington	3,276	1,229,466	1,375,920	1,364,707	11,213
Wicomico	2,548	780,567	1,070,160	866,429	203,731
Worcester	1,467	868,435	616,140	616,140	-

Compensatory Education for FY 1980, Including Direct Payment to Baltimore City of \$13,510,300
Remaining Funds Equalized at 50% State Share

EXHIBIT A
Proposal IV

Local Unit	Title I Eligible		Enrollment x \$65	Local Share .00006	State Share 50%	Direct Payment	Compensatory Education
Total State	116,951	57,942,078	7,601,815	2,900,341	4,701,474	13,510,300	18,211,774
Allegheny	2,519	656,610	163,735	39,397	124,338		124,338
Anne Arundel	6,024	5,158,789	391,560	309,527	82,033		82,033
Baltimore City	54,571	6,074,927	3,547,115	364,496	3,182,619	13,510,300	16,692,919
Baltimore	7,330	9,891,547	476,450	476,450	-		-
Calvert	1,494	686,515	97,110	41,191	55,919		55,919
Caroline	1,183	208,687	76,895	12,521	64,374		64,374
Carroll	1,348	1,261,307	87,620	75,678	11,942		11,942
Cecil	1,684	619,830	109,460	37,190	72,270		72,270
Charles	2,117	876,597	137,605	52,596	85,009		85,009
Dorchester	1,476	325,294	95,940	19,516	76,424		76,424
Frederick	2,081	1,516,292	135,265	90,978	44,287		44,287
Garrett	1,608	305,491	104,520	18,329	86,191		86,191
Harford	2,695	1,790,662	175,175	107,440	67,735		67,735
Howard	867	2,302,662	56,355	56,355	-		-
Kent	674	237,641	43,810	14,258	29,552		29,552
Montgomery	5,729	12,495,324	372,385	372,385	-		-
Prince George's	10,373	8,973,846	674,245	538,431	135,814		135,814
Queen Anne's	774	381,872	50,310	22,912	27,398		27,398
St. Mary's	2,518	597,466	163,670	35,248	128,422		128,422
Somerset	1,456	170,490	94,640	10,229	84,411		84,411
Talbot	1,139	541,771	74,035	32,506	41,529		41,529
Washington	3,276	1,229,466	212,940	73,768	139,172		139,172
Wicomico	2,540	780,567	165,620	46,834	118,786		118,786
Worcester	1,467	868,435	95,355	52,106	43,249		43,249

**Compensatory Education: Proposed Distribution FY 1980, Equalizing at 50% State Share
(For Distribution Purposes Only) With Guarantee That No Subdivision Get Less Than Promised For FY 1980 Density Aid**

EXHIBIT A
Proposal

Local Unit	Title I Eligible	Projected Wealth (000)	Enrollment x \$220	Local Share .00022	State Share Distribution	Additional Funds	
						Required For Guarantee	Compensatory Education
Total State	116,951	57,942,078	25,729,220	10,379,283	15,349,937	2,841,164	18,191,101
Allegheny	2,519	656,610	554,180	144,454	409,726		409,726
Anne Arundel	6,024	5,158,789	1,325,280	1,134,934	190,346		190,346
Baltimore City	54,571	6,074,927	12,005,620	1,336,484	10,669,136	2,841,164	13,510,300
Baltimore	7,330	9,891,547	1,612,600	1,612,600	-		-
Calvert	1,494	696,515	328,680	151,033	177,647		177,647
Caroline	1,183	208,687	260,260	45,911	214,349		214,349
Carrroll	1,348	1,261,307	296,560	277,488	19,072		19,072
Cecil	1,684	619,830	370,480	136,363	234,117		234,117
Charles	2,117	876,597	465,740	192,851	272,889		272,889
Dorchester	1,476	325,294	324,720	71,565	253,155		253,155
Frederick	2,081	1,516,292	457,820	333,584	124,236		124,236
Garrett	1,608	305,491	353,760	67,208	286,552		286,552
Harford	2,695	1,790,662	592,900	393,946	198,954		198,954
Howard	867	2,302,662	190,740	190,740	-		-
Kent	674	237,641	148,280	52,281	95,999		95,999
Montgomery	5,729	12,495,324	1,260,380	1,260,380	-		-
Prince George's	10,373	8,973,646	2,282,060	1,974,246	307,814		307,814
Queen Anne's	774	381,872	170,280	84,012	86,268		86,268
St. Mary's	2,518	587,466	553,960	129,243	424,717		424,717
Somerset	1,456	170,430	320,320	37,506	282,814		282,814
Talbot	1,139	541,771	250,580	119,190	131,390		131,390
Washington	3,276	1,229,466	720,720	270,483	450,237		450,237
Wicomico	2,548	780,567	560,560	171,725	388,835		388,835
Worcester	1,467	868,435	322,740	191,056	131,684		131,684

Compensatory Education: Proposed Distribution FY 1980
Direct Payment of \$80 Per Title I Eligible Pupil with Guarantee That No
Subdivision Get Less Than Promised For FY 1980 Under Density Aid

Local Unit	Title I Eligible	Additional Funds		Compensatory Education
		Enrollment x \$80	Required for Guarantee	
Total State	116,951	9,356,080	9,144,620	18,500,700
Allegany	2,519	201,520		201,520
Anne Arundel	6,024	481,920		481,920
Baltimore City	54,571	4,365,680	9,144,620	13,510,300
Baltimore	7,330	586,400		586,400
Calvert	1,494	119,520		119,520
Caroline	1,183	94,640		94,640
Carroll	1,348	107,840		107,840
Cecil	1,684	134,720		134,720
Charles	2,117	169,360		169,360
Dorchester	1,476	118,080		118,080
Frederick	2,081	166,480		166,480
Garrett	1,608	128,640		128,640
Harford	2,695	215,600		215,600
Howard	867	69,360		69,360
Kent	674	53,920		53,920
Montgomery	5,729	458,320		458,320
Prince George's	10,373	829,840		829,840
Queen Anne's	774	61,920		61,920
St. Mary's	2,518	201,440		201,440
Somerset	1,456	116,480		116,480
Talbot	1,139	91,120		91,120
Washington	3,276	262,080		262,080
Wicomico	2,548	203,840		203,840
Worcester	1,467	117,360		117,360

PRINCIPLES THAT SHOULD GOVERN THE
FUNDING OF PUBLIC EDUCATION IN MARYLAND

By David W. Hornbeck

) The current expense formula in Maryland is one of the best in the nation. Best, in this instance, is defined primarily in terms of the degree of equalization that takes place. We enjoy a situation in which there is approximately 1.7 to 1 spending ratio between the highest spending district and the lowest spending district. Many states have a far greater disparity. A 1.7 to 1 spending ratio in Maryland, nevertheless, is too large. Such a disparity still means the quality of a child's education in Maryland is heavily influenced by the accident of domicile or other factors unrelated to ability. Moreover, equal dollars do not necessarily mean equal educational opportunity.

) The Barnes Commission is challenged by the opportunity to revise the current expense formula. I do not propose to present a new formula here. I do, however, offer a series of principles which should influence the character of the formula as finally designed. The principles arise out of both fiscal and education considerations.

1. THE BARNES COMMISSION SHOULD FIRST DETERMINE THE OVERALL COST OF PROGRAMS AND SERVICES NECESSARY TO PROVIDE AN ADEQUATE EDUCATION APPROPRIATE FOR ALL MARYLAND CHILDREN. In asserting this principle I do not advocate trying to determine the cost of a so-called "basic education". That will vary from one school system to another and will even vary within a system. To pursue that line of thought I fear is to become bogged down in endless

)

arguments as to what precisely is necessary. Because children are human, no one learning strategy will work for all. However, we can project with greater confidence the range of programs and services which should be available to youngsters and apply a reasonable price tag to them. In making such a determination, the Commission should not consider programs designed to provide an optimal educational experience. The criterion should be providing that range of educational opportunities which is needed to ensure the possibility of an effective and satisfying adulthood for all our youth. The Mission of Schooling as adopted by the Maryland State Board of Education on January 12, 1977, takes major steps in defining what that range of educational opportunity should be. As the State Board is charged with the responsibility of defining educational adequacy I suggest looking to them for that definition.

Fiscal reality may prohibit the appropriation of sufficient funds to achieve the goal of adequately and appropriately serving our children's educational needs. If the Barnes Commission, however, will define that goal and the attendant cost as a first order of business, we can know how close or how distant we are from attaining that goal and priorities among programs can be established. I would suggest, however, that we not arbitrarily begin with a certain amount of money and design a formula to yield that amount without being able to identify the gap between that and what the Commission determines is necessary.

2. A SUBSTANTIALLY LARGER AMOUNT OF MONEY SHOULD BE EQUALIZED AND EQUALIZED MORE SHARPLY THAN IS NOW THE CASE. It is important for purposes of local control of education that the majority of state money in the current expense formula should be of a non-categorical nature. In FY 1976, the average per pupil cost in Maryland was \$1,519. For the state to equalize at \$624 is not realistic. I suggest we consider using a figure of 75 percent of the average per pupil cost as the basis for equalization. In one sense the 75 percent figure is arbitrary. In another sense, this percentage recognizes that there are other important areas of state fiscal contribution and that the highest spending districts may well be buying something beyond an adequate and appropriate education. The fact is that money does not necessarily guarantee quality. The notion of 75 percent of the average per pupil cost simply recognizes there is a floor below which a system should not fall.

3. ANY MULTI-YEAR PLAN SHOULD REFLECT PROJECTIONS AS TO STUDENT ENROLLMENT, INFLATION AND OTHER VARIABLES IMPACTING ON THE EQUALIZATION FORMULA. During the past five years, for example, costs have escalated at a rate far greater than any savings realized from a decline in enrollment. The current equalization formula did not anticipate this possibility, and a situation has resulted in which the state educational contribution has actually declined proportionately. The new formula should anticipate these variables in the future.

4. THE WIDE DISPARITY IN THE TAX EFFORT OF THE SEVERAL SUB-DIVISIONS SHOULD BE TAKEN INTO ACCOUNT. Property tax rates range from \$1.58 in Queen Anne's County to \$5.99 in Baltimore City. As mentioned before, there is not as great a gap in spending per pupil in Maryland as in many other states. But that results in part from some sub-divisions--most notably Baltimore City--exerting considerably more effort than other sub-divisions. The new formula should reward those counties that exert relatively more effort. We say relatively because the formula would have to continue to recognize the disparity in wealth. For example, a \$3.00 rate in Montgomery County could not be equated fairly on a one to one basis with a \$3.00 rate in Somerset County. Moreover, the General Assembly should ensure a floor tax effort so that the vagaries of local politics could not lead to the local fiscal authority deciding in a given year that education simply was unimportant fiscally.

5. MUNICIPAL OVERBURDEN SHOULD BE REFLECTED IN THE FORMULA. It is closely related to the tax effort issue. But it is not the same. Baltimore City, and perhaps other central counties, have non-educational costs which require substantial sums of money out of the same pockets. The current expense formula should reflect that fact. Such sub-divisions should not be expected to pay for the higher fire, police, garbage collection costs and pay educational costs at the same rate as the sub-divisions not facing those costs.

In considering tax effort and municipal overburden, we should not limit our analysis to only one set of taxes or costs. What we are seeking to determine is an "ability to pay". Thus all the "tax effort" and cost of services should be accounted for.

6. THE FORMULA SHOULD ACKNOWLEDGE THE FACT THAT IT COSTS SUBSTANTIALLY MORE TO PROVIDE APPROPRIATE LEARNING OPPORTUNITIES FOR POOR CHILDREN. Poverty afflicts black and white, rural and urban students. Proportionately, those who live under the burden of poverty will generally not read, write and calculate as well or as quickly as others. They will have a higher number of disruptive students and drop-outs. They will contribute a proportionately higher number of persons to the welfare rolls. They will learn less highly developed job skills. They will be the heads of households that will produce children bearing similar characteristics for the next generation of school children. These are facts, not opinion. To change these facts--to reverse the burden of poverty--for the benefit of the state as well as the children affected, more money for a variety of supplementary services for this population will be required. And these services cost more than \$25 or \$50 per child. For those whose needs are met and who do not wind up on the welfare rolls (\$3,000-\$5,000 per year), or in a detention center (\$12,000 per year), or in a prison (\$15,000 per year), the economic return to the state will be great. At the same time, and hopefully, of equal importance, the youngsters in Somerset, Baltimore City and

other sub-divisions where the degree of poverty is substantial, these youngsters can look toward a life of productivity and satisfaction rather than a life of despair.

Moreover, to put this point a different way, we know that to provide an equal educational opportunity cannot be done by spending the same dollar amount for every child. In the area of special education we have gone far (indeed Maryland is in a position of national leadership) to meeting the responsibility by funding special education at substantially higher levels. We have not met that challenge with poor children who also require substantially greater fiscal attention.

7. THE FORMULA SHOULD PROVIDE THE FUNDS TO MEET THE BASIC EDUCATIONAL NEEDS OF MARYLAND'S ADULT POPULATION. There are approximately 900,000 adults in Maryland who are twenty-one or older who have not graduated from high school. The law artificially has chosen age 20 as the cut off for state reimbursement to local systems. It would make more sense to determine a level of achievement as the cut off point. I suggest that, perhaps, the receipt of a high school diploma be that level of achievement. Under such a principle, school systems would be obligation to provide educational opportunities to all not possessing diplomas, and would, in turn, be able to count all (regardless of age) as part of the student enrollment figure for state aid until they receive their diploma.

8. A SPECIAL ADD-ON PROVISION SHOULD BE MADE FOR INSERVICE TRAINING. Approximately one percent of the total subsidy should

be provided for this purpose. The expenditure of the funds should be coordinated by the Maryland State Department of Education in cooperation with local systems. Priority attention should be given to the carefully structured training of all school principals in the state. They are (or should be) in the position of instructional leader. We have over 40,000 teachers in the classroom. We must shift to a heavier reliance on the principal to provide the sustenance of renewal for the teacher.

9. EARLY CHILDHOOD PROGRAMS SHOULD BE ENCOURAGED THROUGH STATE AID. Few who know growth and development patterns of children dispute the fact that the years from 0-5 are more important than any other. Yet, schools rarely come in contact with either the child or the parent until the end of that period of time. The new formula should be designed to support full-day five year old and one-half day four year old kindergarten for all who wish it. This program should not be mandatory. In addition, the formula should support home and parent support programs beginning at birth. If we are seriously interested in all children being able to master the basic skills and in identifying special needs (certain handicapping conditions for example) at a time when something can be done, attention to these early years is essential. Three sub-principles are important. First, emphasis should be placed on enabling the parent to be an effective parent, rather than the school (or any other institution) providing direct services to the pre-four year old. Second, affirmative recognition should be given to the important (and in some instances

dominant) role that non-school institutions should play. Third, poor children (and families) should receive priority attention should there be inadequate funds for all children.

10. THE DEVELOPMENT OF INNOVATIVE PROGRAMS SHOULD BE ENCOURAGED.

One of the cornerstones of this democracy is the free enterprise system. Absent the strong economic system we enjoy, the United States would not be the leader of the free world. That system relies in important ways on a corporate strength unequalled in human history. Any corporate leader would not hesitate to point to corporate research and development as a primary source of the stability, growth, and success of business and industry. Yet educational funding patterns act as if such facts do not exist. Less than one percent of state funds provided in FY77 were designed for purposes that could be described in any sense as research and development. Corporate patterns suggest that 5 percent to 15 percent of income should be spent on research and development activities. Surely, a one percent to three percent add-on should be devoted to similar purposes on behalf of our children. Since even that amount of money would be small, the expenditure of those funds should be coordinated by the Maryland State Department of Education in cooperation with local systems pursuant to priorities set by the State Board of Education such as career education, programs for the gifted and talented, basic skills, and programs designed to reduce disruption in the classroom. Depending on the amount of money available the Commission may want to consider a percentage of

the funds be spent at the initiative of the Department of Education with the remainder being spent at the initiative of each subdivision in accord with local areas of emphasis within the priorities.

11. SUPPORT FOR LEARNING OUTSIDE THE CLASSROOM IS NECESSARY. The vast majority of the learning experiences we provide the youth of this state takes place in the classroom. That is inadequate to do the job. First, we know by definition that this approach is failing for all those who drop out of school and for those who are characterized as disruptive students. Second, experience indicates that real competency--knowledge, skill, and the ability to think requires a wide range of experience. Direct experience is not available or possible exclusively in the classroom. Third, one cannot be a mason without laying bricks, swim without swimming, understand politics without ringing doorbells, become an effective consumer without making purchases. There are scores of other examples. But, all these experiences are not possible within the one-dimensional setting of the classroom. The community lies at our doorstep as a resource to provide these opportunities. One could argue that creating a wider range of educational opportunities beyond the schoolhouse door should simply be considered a part of the fundamental educational program and, thus, be funded in that manner. However, recent educational practice is such as to indicate that the use of community resources will require such a break with present practice that additional monies for at least a five year period

of time will be required. The additional monies would support added personnel costs, transportation costs and the like during a transition period.

We have not sought to put a price tag on these eleven principles. They simply represent one beginning at defining an appropriate (though not optimal) level of education for the children of Maryland. That, as I suggested in the beginning, seems to me to be step one. If an additional \$20-25 million is all that is available or possible for FY80 or FY81 so be it. But we should not act as though that will provide appropriate or equal educational opportunities for our children. Let us identify the basic need and then clearly identify how much of that basic needs we are prepared to meet in the first year of the new formula, the second, and so on.

Fiscal Year Considered	Items of Expenditure to be Equalized	Equalization Method	Equalization Rate	Comments
I FY 1979 6/16	Median Current Expense, Transportation, State Share Social Security, State Share Retirement	Lae-Maurer \$1,511	\$1,511 @ 50% State Share	Information purposes only to show the effect of a fully equalized program on the distribution of funds in FY 1979.
II FY 1979 6/16	Current Expense, State Share Social Security	Lae-Maurer \$842.94	\$624 @ 50% State Share \$218.94 @ 50% State Share	Information purposes only to show the effect of equalization of State Share of Social Security in FY 1979.
III 1-5 FY 1980 - 1984 7/11	Phase In of Current Expense, Social Security (1980); Transportation (1981); 1/3 Retirement (1982); 2/3 Retirement (1983); Full Retirement (1984) and additional \$40,000,000 per year	Lae-Maurer 1980 - \$ 928 1981 - \$1,212 1982 - \$1,457 1983 - \$1,733 1984 - \$2,047	@ 50% State Share	Represents an attempt to provide State funding of 50% of projected basic education costs over a five year period. Causes certain subdivisions to get less State funding over five year period than they would have received under present distribution system.
IV 1, 2 FY 1980 - 1984 7/21	Current Expense, Transportation, Social Security, \$40,000,000 additional per year	Minimum per pupil guarantee and Lae- Maurer 1980 - \$143 1984 - \$798	\$143 @ 45% State Share \$798 @ 45% State Share	The minimum guarantee per pupil is based on FY 1979 estimated payments. Any additional funds are distributed in a sharply equalized fashion (45% State Share). In addition, concern over inclusion of transportation in any equalization scheme was expressed.
V FY 1984 7/21	Current Expense, Transportation, Social Security, \$40,000,000 additional per year	Minimum per pupil guarantee and Lae- Maurer \$1,273	\$1,273 @ 70% State Share	The minimum guarantee per pupil is based on FY 1979 payments. For comparison purposes, additional funds are distributed in a sharply equalized fashion (70% State Share).

EXHIBIT C Summary-2

fiscal Year Considered	Items of Expenditure to be Equalized	Equalization Method	Equalization Rate	Comments
VI 1, 2 FY 1980 - 1984	Current Expense, Social Security, Compensatory Education, \$40,000,000 additional per year	Minimum guarantee based on FY 1979 estimated payments; additional funds equalized by Lee- Maurer formula	Minimum guarantee by LEA plus: 1980 - \$127 @ 45% State Share Compensatory aid @ 50% 1984 - \$118 @ 45% State Share Compensatory aid @ 50%	Combine minimum guarantee and equalization methods for distribution of current expense funds, and treat compensatory education as a categorical program fully equalized at 50% State Share. It provides all LEA's with some education funding and holds all LEA's harmless. It was discussed that the minimum guarantee concept may not be acceptable to the courts on a long term basis.
8/1				
VII 1, 2 FY 1980 - 1984	Current Expense, Social Security (phased in by 1984), Compensatory Education, \$40,000,000 additional per year	Lee-Maurer, using a weighted factor for compensatory education (each poor child counts as 1.25)	\$624 @ 55% State Share Balance at 50% State Share	Total funds include the projected Basic Education Costs to include current expense, social security phased in over three years and Density Aid. The per pupil amount to be shared is \$1,409 in FY 1984. The State's share is 55%. Each poor child is counted as 1.25 pupils. This was determined by relating the number of poor children and the amount projected for density aid back to the per pupil amount projected for non- poor children.
8/1				
VIII 1, 2 FY 1980 - 1984	Current Expense, Social Security, Compensatory Education (poor pupils weighted @ 1.25), \$40,000,000 additional per year	Minimum guarantee per pupil based on FY 1979 payments Second tier distributed by Lee-Maurer	Second Tier @ 45% State Share	Guarantee subdivisions minimum payments per pupil based on FY 1979. Only a decline in enrollment will result in less money being paid to any LEA. (Montgomery County is the only LEA to actually receive less total dollars than under present payment concept.)
8/1				

EXHIBIT C Summary-3

Fiscal Year Considered	Items of Expenditure to be Equalized	Equalization Method	Equalization Rate	Comments
II FY 1984 8/22	Current Expense, additional \$205,000,000 (40,000,000 added per year)	Lee-Haurer \$1,254	\$624 @ 50% State Share \$630 @ 50% State Share	Reflects continuation of present State funding formula with dollars added to reach a total of 50% funding of median education costs.
I 1, 2 FY 1980 - 1984 8/22	Current Expense, Social Security additional \$40,000,000 per year	Wealth per pupil 1980 - \$1,478 1984 - \$1,550	State Share 50%	Reflects new approach based on wealth per pupil concept and addition of \$40,000,000 new State dollars over five year period. All LEA's receive same State aid and all LEA's receive more State aid than current procedure would provide.
II 1, 2 FY 1980 - 1984 10/6	Current Expense, Social Security additional \$20,000,000 per year	Wealth per pupil 1980 - \$1,212 1984 - \$1,262	State Share 50%	Reflects new approach based on wealth per pupil concept and addition of \$20,000,000 new State dollars over five year period. All LEA's receive same State aid and all LEA's receive more State aid than current procedure would provide.
XII 1 - 4 FY 1980 8/22	Current Expense, Transportation, Special Education, Social Security, additional \$40,000,000 per year	Per pupil guarantee for pupil weighted and/or local over-burden index and Lee-Haurer distribution of \$40,000,000 yearly additional money	Additional funds distributed @ 50% State Share	Presented to the Commission by Ted J. Smith, Director, Office of Finance in Baltimore County. Initiative categorical aid programs of Special Education, Transportation and Social Security.
XIII 1 - 3 FY 1980 - 1984 10/6	Current Expense, additional \$60,000,000 per year	Lee-Haurer: pupil weighting for kindergarten, early childhood, adult education, compensatory education, and \$50/pupil grant to three subdivisions	50% State Share, 1980 - phase in of \$1,694 1984 - \$1,694	Presented to the Commission by John L. Grew, Sr., Superintendent, Baltimore City Department of Education. The proposal includes partial weighted pupil approach, some State aid for four year olds and adults and a \$50 per pupil grant for three LEA's considered to have special needs (Baltimore City, Dorchester and Washington Counties). State support is computed at a level equal to 75% of a 1984 estimated per pupil expenditure.

Fiscal Years Considered	Items of Expenditure to be Equalized	Equalization Method	Equalization Rate	Comments
XIV 1, 2, 3, 4 FY 1984	XIV 1 Current Expense plus \$59,500,000 additional per annum XIV 2 Current Expense plus \$59,500,000 additional per annum. Title I pupils per 1970 census weighted at 1.25.	Lee-Haurer \$1,499	\$624 @ 55% State Share \$875 @ 50% State Share	A 9% inflation rate has been assumed; pupil enrollment projections based on an average 2% decline per annum. By weighting Title I pupils, a cost of \$22,667,126 is incurred for compensatory education, of which \$11,248,400 would have been spent anyway as density aid in Baltimore City. Therefore, the additional cost to the State of a compensatory education program is \$11,418,726.
XIV 1, 2 FY 1980 1984	XIV 3 Current Expense plus \$41,500,000 added per annum XIV 4 Current Expense plus \$41,500,000 added per annum. Title I pupils per 1970 census weighted at 1.25.	Lee-Haurer \$1,254	\$624 @ 55% State Share \$630 @ 50% State Share	A 7% inflation rate has been assumed; pupil enrollment projections based on an average 2% decline per annum. By weighting Title I pupils, a cost of \$19,341,175 is incurred of which \$11,248,400 would have been spent anyway as density aid in Baltimore City. Therefore, the additional cost to the State of a compensatory education program is \$8,092,775.
XV 1, 2 FY 1980 1984	Current Expense, Social Security, \$25,000,000 additional per annum	Wealth Per Pupil	\$980 in FY 1980 \$1,230 in FY 1984 Both years @ 50% State Share	This approach is similar to formula X and XI adding \$25,000,000 per annum instead of \$20,000,000 or \$40,000,000.
XVI 1, 2 FY 1980 1984	Current Expense, \$25,000,000 additional per annum	Wealth Per Pupil	\$816 in FY 1980 \$1,076 in FY 1984 Both years @ 50% State Share	This approach is similar to formula XV, except that social security is not included.
XVII 1, 2 FY 1980 1984	Current Expense, \$26,000,000 additional per annum	Lee-Haurer FY 1980: \$782 FY 1984: \$1,212	FY 1980 - \$624 @ 55% State Share \$158 @ 50% State Share FY 1984 \$624 @ 55% State Share \$588 @ 50% State Share	Standard Lee-Haurer approach taking FY 1980 selected enrollment (not yet a final figure) for 1984 we assumed an average 3% per annum enrollment decline.

EXHIBIT C Summary

**FY 1979 Distribution of State Funds for Median Current Expense as Redefined*
at 50% State Share**

EXHIBIT C-1

	Enrollment x \$1,511	Local Share (Wealth x .01195)	State Share	Estimated** State Payments to Subdivisions	Increase** (Decrease)
Local Unit					
Total State	\$1,225,104,521	\$612,586,663	\$612,517,858	\$537,366,912	\$ 75,150,946
Allegany	22,125,573	7,250,495	14,875,078	11,336,743	3,538,335
Anne Arundel	110,829,961	52,961,791	57,868,170	48,831,036	9,037,134
Baltimore City	223,132,014	67,436,491	155,695,523	111,587,426	44,108,097
Baltimore	166,648,613	104,494,325	62,154,288	65,598,598	(3,444,310)
Calvert	10,810,072	6,349,238	4,460,834	4,660,226	(199,392)
Caroline	7,421,654	2,181,807	5,239,847	4,015,405	1,224,442
Carroll	29,363,837	12,839,785	16,524,052	13,186,404	3,337,648
Cecil	19,495,678	6,517,351	12,978,327	9,378,844	3,599,483
Charles	25,962,758	9,196,146	16,766,612	13,404,111	3,362,501
Dorchester	8,515,996	3,454,733	5,061,263	4,374,413	686,850
Frederick	34,346,541	15,669,055	18,677,486	15,292,762	3,384,724
Garrett	8,691,272	3,179,154	5,512,118	4,493,143	1,018,975
Harford	49,162,107	18,584,688	30,577,419	23,319,006	7,258,413
Howard	37,163,423	23,248,402	13,915,021	14,479,902	(564,881)
Kent	4,856,354	2,518,778	2,337,576	2,307,078	30,498
Montgomery	164,184,504	132,846,190	31,338,314	54,436,770	(23,098,456)
Prince George's	204,849,292	96,924,670	107,924,622	92,448,313	15,476,309
Queen Anne's	7,228,624	3,845,426	3,383,198	3,271,421	111,777
St. Mary's	17,904,972	5,900,826	12,004,146	9,337,153	2,666,993
Somerset	5,935,963	1,786,417	4,149,546	3,186,326	963,220
Talbot	6,557,740	5,525,919	1,031,821	2,058,029	(1,026,208)
Washington	32,235,674	12,980,054	19,255,620	15,000,514	4,255,106
Wicomico	18,881,834	8,157,930	10,723,904	9,002,153	1,721,751
Worcester	8,800,065	8,736,992	63,073	2,361,136	(2,298,063)
*Median Current Expense + Transportation + State Share of Social Security + State Share of Retirement					
**Present Distribution Method					

Calculation of FY 1979 Current Expense State Aid Including
State Aid for Social Security Fully Equalized

EXHIBIT C-II

Local Unit	Wealth	Enrollment 9/30/79	Total to be Shared Enrollment x \$842.94*	Local Share	State Share	Total State Share Under Former Approach	Gain or (Loss) Caused by Equalized Approach .
Total State	51,262,064	810,790.55	683,447,786	316,286,933	367,160,853	367,187,929	(27,076)
Allegany	606,736	14,643.00	12,343,170	3,743,561	8,599,609	8,154,498	445,111
Anne Arundel	4,431,949	73,348.75	61,828,595	27,345,125	34,483,470	33,991,369	492,101
Baltimore City	5,643,221	147,671.75	124,478,425	34,818,674	89,659,751	85,069,743	4,590,008
Baltimore	8,744,295	110,290.28	92,968,089	53,952,300	39,015,789	42,084,735	(3,068,946)
Calvert	531,317	7,154.25	6,030,603	3,278,226	2,752,377	2,803,319	(50,942)
Caroline	182,578	4,911.75	4,140,310	1,126,506	3,013,804	2,793,532	220,272
Carroll	1,074,459	19,433.38	16,381,173	6,629,412	9,751,761	9,239,158	512,603
Cecil	545,385	12,902.50	10,876,033	3,365,025	7,511,008	6,929,242	581,766
Charles	769,552	17,182.50	14,483,817	4,748,136	9,735,681	9,154,988	580,693
Dorchester	289,099	5,636.00	4,750,810	1,783,741	2,967,069	2,864,124	102,945
Frederick	1,311,218	22,731.00	19,160,869	8,090,215	11,070,654	10,606,802	463,852
Garrett	266,038	5,752.00	4,848,591	1,641,454	3,207,137	2,959,343	247,794
Harford	1,555,204	32,536.14	27,426,014	9,595,609	17,830,405	16,943,406	886,999
Howard	1,945,473	24,595.25	20,732,320	12,003,568	8,728,752	9,137,843	(409,091)
Kent	210,358	3,214.00	2,709,209	1,297,909	1,411,300	1,409,893	1,407
Montgomery	11,116,836	108,659.50	91,593,439	68,590,878	23,002,561	29,718,713	(6,716,152)
Prince George's	8,110,851	135,572.00	114,279,062	50,043,951	64,235,111	63,830,447	404,664
Queen Anne's	321,793	4,784.00	4,032,625	1,985,463	2,047,162	2,008,678	38,484
St. Mary's	493,793	11,849.75	9,988,628	3,046,703	6,941,925	6,483,543	458,382
Somerset	149,491	3,928.50	3,311,490	922,359	2,389,131	2,192,398	196,733
Talbot	462,420	4,340.00	3,658,360	2,853,131	805,229	1,048,210	(242,981)
Washington	1,086,197	21,334.00	17,983,282	6,701,835	11,281,447	10,796,177	485,270
Wicomico	682,672	12,496.25	10,533,589	4,212,086	6,321,503	6,116,791	204,712
Worcester	731,129	5,824.00	4,909,283	4,511,066	398,217	850,977	(452,760)

*\$624 shared, State and local 55/45

\$ 66 shared, State and local 50/50

\$152.94 (Social Security)** 50/50

**This provides LEA's with the total State amount of current Social Security payments (\$62,002,287).

FY 1980 Current Expense
Basic Education and Social Security Phased-In
Per Pupil = \$928
State Share = 55%.

Local Unit	Local Share	State Share	State		Net Gain/ Loss
			to Pay	Anyway	
Total State	331,665,556	405,700,044	364,114,706		41,585,338
Allegany	3,925,582	9,251,090	7,952,282		1,298,808
Anne Arundel	28,674,710	38,825,226	34,339,611		4,485,615
Baltimore City	36,511,640	94,594,344	81,512,710		13,081,634
Baltimore	56,575,589	42,570,075	40,932,625		1,637,450
Calvert	3,437,621	3,398,027	3,052,780		345,247
Caroline	1,181,280	3,320,448	2,787,233		533,215
Carroll	6,951,750	11,454,202	9,726,222		1,727,980
Cecil	3,528,641	8,393,375	6,993,042		1,400,333
Charles	4,979,001	11,311,111	9,589,838		1,721,273
Dorchester	1,870,471	3,248,377	2,829,876		418,501
Frederick	8,483,580	12,961,572	11,121,385		1,840,187
Garrett	1,721,266	3,641,646	3,027,517		614,129
Harford	10,062,170	20,211,046	17,319,302		2,891,744
Howard	12,587,210	11,073,078	10,146,475		926,603
Kent	1,361,016	1,516,712	1,372,279		144,433
Montgomery	71,925,929	26,054,167	29,112,132		(3,057,965)
Prince George's	52,477,206	70,273,066	62,839,113		7,433,953
Queen Anne's	2,082,001	2,356,623	2,060,826		295,797
St. Mary's	3,194,841	7,864,135	6,635,300		1,228,835
Somerset	967,207	2,593,529	2,154,256		439,273
Talbot	2,991,857	929,871	1,031,069		(101,198)
Washington	7,027,695	12,407,409	10,708,170		1,699,239
Wicomico	4,416,888	6,908,424	6,023,906		884,518
Worcester	4,730,405	542,491	846,757		(304,266)
Factor .00647					

FY 1981 Current Expense
Basic Education, Transportation and Social Security Phased-In
Per Pupil = \$1,212
State Share = 55%

	Local Share	State Share	State to Pay Anyway	Net Gain/ Loss
Total State	424,449,891	519,313,905	436,278,080	83,035,825
Allegany	5,023,774	11,656,982	9,499,235	2,157,747
Anne Arundel	36,696,538	50,686,238	41,813,813	8,872,425
Baltimore City	46,725,870	117,018,966	86,732,210	30,286,756
Baltimore	72,402,763	52,975,001	48,296,170	4,678,831
Calvert	4,399,305	4,788,867	4,441,434	347,433
Caroline	1,511,746	4,292,522	3,619,267	673,255
Carroll	8,896,521	15,627,087	12,668,615	2,958,472
Cecil	4,515,788	10,979,632	8,533,640	2,445,992
Charles	6,371,891	15,354,421	12,811,583	2,542,838
Dorchester	2,393,740	4,146,212	3,721,817	424,395
Frederick	10,856,885	17,604,511	14,305,946	3,298,565
Garrett	2,202,795	4,831,653	4,240,932	590,721
Harford	12,877,089	26,748,039	20,933,633	5,814,406
Howard	16,108,516	15,908,888	13,903,457	2,005,431
Kent	1,741,764	1,882,116	1,934,288	(52,172)
Montgomery	92,047,402	32,241,986	36,492,432	(4,250,446)
Prince George's	67,157,846	89,192,578	74,181,234	15,011,344
Queen Anne's	2,664,446	3,127,702	3,008,516	119,186
St. Mary's	4,068,606	10,429,942	8,634,030	1,795,912
Somerset	1,237,785	3,301,155	2,760,151	541,004
Talbot	3,828,838	1,156,118	1,547,056	(390,938)
Washington	8,993,711	15,911,677	12,743,101	3,168,576
Wicomico	5,652,524	8,788,456	7,660,443	1,128,013
Worcester	6,053,748	663,156	1,795,077	(1,131,921)
Factor .00828				

FY 1982 Current Expense
Basic Education, Transportation, Social Security and 1/3 Retirement Phased-In
Per Pupil = \$1,457
State Share = 55%

Local Unit	Local Share	State Share	State		Net Gain/ Loss
			to Pay Anyway		
Total State	500,610,545	611,240,725	487,845,423	123,395,302	
Allegany	6,214,543	13,213,095	10,184,591	3,028,504	
Anne Arundel	43,255,822	60,823,516	46,827,493	13,996,023	
Baltimore City	55,077,837	133,079,143	92,348,791	40,730,352	
Baltimore	85,344,319	60,530,521	55,096,913	5,433,608	
Calvert	5,185,654	6,176,032	5,250,096	925,936	
Caroline	1,781,961	5,103,821	3,909,361	1,194,460	
Carroll	10,486,720	19,577,018	14,299,529	5,277,489	
Cecil	5,322,958	13,208,625	9,268,426	3,940,199	
Charles	7,510,828	19,147,901	14,423,566	4,724,335	
Dorchester	2,821,606	4,866,983	4,080,838	786,145	
Frederick	12,797,488	21,956,333	16,243,800	5,712,533	
Garrett	2,596,531	5,891,951	4,656,562	1,235,389	
Harford	15,178,791	32,540,873	23,311,503	9,229,370	
Howard	18,987,816	20,875,704	16,808,246	4,067,458	
Kent	2,053,094	2,144,523	2,095,365	49,158	
Montgomery	108,500,319	36,554,230	44,583,956	(8,029,726)	
Prince George's	79,161,906	104,063,129	82,356,260	21,706,869	
Queen Anne's	3,140,700	3,813,561	3,361,144	452,417	
St. Mary's	4,819,420	12,717,032	9,543,009	3,174,023	
Somerset	1,459,032	3,864,846	2,966,639	898,207	
Talbot	4,513,219	1,316,238	1,819,179	(502,941)	
Washington	10,601,283	18,764,552	13,901,513	4,863,039	
Wicomico	6,662,879	10,276,203	8,334,365	1,941,838	
Worcester	7,135,819	734,895	2,174,278	(1,439,383)	
Factor .00976					

FY 1983 Current Expense
Basic Education, Transportation, Social Security and 2/3 Retirement Phased-In
Per Pupil = \$1,733
State Share = 55%

Local Unit	Local Share	State Share	State		Net Gain/ Loss
			to Pay Anyway		
Total State	583,362,289	712,656,562	547,813,056	164,843,506	
Allegany	6,904,656	15,473,573	10,990,917	4,482,656	
Anne Arundel	50,435,580	72,163,772	52,637,995	19,525,777	
Baltimore City	64,219,855	149,604,617	99,110,775	50,493,842	
Baltimore	99,510,077	68,339,638	62,984,647	5,354,991	
Calvert	6,046,387	7,848,807	6,193,260	1,655,547	
Caroline	2,077,738	5,999,775	4,245,191	1,754,584	
Carroll	12,227,343	24,219,380	16,174,714	8,044,666	
Cecil	6,206,481	15,710,770	10,117,374	5,593,396	
Charles	8,757,502	23,594,142	16,297,333	7,296,809	
Dorchester	3,289,947	5,641,134	4,496,306	1,150,828	
Frederick	14,921,661	27,046,400	18,485,075	8,561,325	
Garrett	3,027,512	7,101,873	5,134,239	1,967,634	
Harford	17,698,222	39,135,513	26,073,720	13,061,793	
Howard	22,139,483	26,944,276	20,209,905	6,734,371	
Kent	2,393,874	2,418,667	2,283,426	135,241	
Montgomery	126,509,594	40,912,070	53,885,590	(12,973,520)	
Prince George's	92,301,484	120,048,205	91,861,291	28,186,914	
Queen Anne's	3,662,004	4,595,741	3,764,863	830,878	
St. Mary's	5,619,364	15,329,140	10,596,082	4,733,058	
Somerset	1,701,208	4,475,204	3,208,571	1,266,633	
Talbot	5,262,340	1,480,763	2,130,217	(649,454)	
Washington	12,360,922	21,883,158	15,248,737	6,634,421	
Wicomico	7,768,807	11,883,413	9,115,305	2,768,108	
Worcester	8,320,248	800,531	2,567,523	(1,766,992)	

FY 1984 Current Expense
Basic Education, Transportation, Social Security and Retirement Phased-In
Per Pupil = \$2,047
State Share = 55%

Local Unit	Local Share	State Share	State to Pay Anyway	Net Gain/ Loss
Total State	675,121,381	825,104,449	618,619,320	206,485,129
Allegany	7,990,713	17,592,693	11,945,677	5,647,016
Anne Arundel	58,368,768	84,978,548	59,470,306	25,508,242
Baltimore City	74,321,221	166,876,789	107,277,817	59,598,972
Baltimore	115,162,365	76,549,420	72,256,411	4,293,009
Calvert	6,997,445	9,873,929	7,310,880	2,563,049
Caroline	2,404,552	7,001,413	4,639,149	2,362,264
Carroll	14,150,625	29,708,397	18,370,875	11,337,522
Cecil	7,182,720	18,546,023	11,113,090	7,432,933
Charles	10,135,000	28,835,786	18,501,290	10,334,496
Dorchester	3,807,434	6,505,352	4,984,098	1,521,254
Frederick	17,268,741	33,036,284	21,116,087	11,920,197
Garrett	3,503,720	8,493,747	5,689,734	2,804,013
Harford	20,482,037	46,704,597	29,324,830	17,379,767
Howard	25,621,879	34,371,597	24,256,100	10,115,497
Kent	2,770,415	2,703,263	2,503,180	200,083
Montgomery	146,408,730	45,403,358	64,758,995	(19,355,637)
Prince George's	106,819,908	137,464,978	103,081,791	34,383,187
Queen Anne's	4,238,014	5,495,471	4,234,647	1,260,824
St. Mary's	6,503,254	18,335,044	11,830,543	6,504,501
Somerset	1,968,796	5,144,529	3,493,783	1,650,746
Talbot	6,090,071	1,649,636	2,491,869	(842,233)
Washington	14,305,214	25,330,847	16,831,987	8,498,860
Wicomico	8,990,790	13,638,795	10,035,740	3,603,055
Worcester	9,628,969	863,953	3,100,441	(2,236,488)

1980 Current Expense
Basic Education, Transportation and Social Security Included
Per Pupil \$143
State Share 45%

Local Unit	Proposed	Payments	Difference
	Approach	Under Present System	
State Total			
Total State	470,737,759	429,134,922	41,602,837
Allegany	10,627,627	9,621,439	1,006,188
Anne Arundel	44,303,542	39,917,580	4,385,962
Baltimore City	101,443,284	89,992,022	11,451,262
Baltimore	51,863,299	48,076,588	3,786,711
Calvert	4,175,222	3,698,308	476,914
Caroline	3,926,249	3,534,458	391,791
Carroll	12,989,472	11,711,288	1,278,184
Cecil	9,297,158	8,300,119	997,039
Charles	13,301,506	12,058,610	1,242,896
Dorchester	4,001,413	3,667,880	333,533
Frederick	14,700,699	13,342,405	1,358,294
Garrett	4,450,170	4,051,042	399,128
Harford	22,382,198	20,019,802	2,362,396
Howard	12,937,185	12,079,991	857,194
Kent	2,043,329	1,923,063	120,266
Montgomery	36,544,583	36,087,964	456,619
Prince George's	81,213,552	74,322,018	6,891,534
Queen Anne's	3,009,193	2,795,376	213,817
St. Mary's	9,150,586	8,169,450	981,136
Somerset	3,038,617	2,731,299	307,318
Talbot	1,469,272	1,420,640	48,632
Washington	13,976,274	12,565,310	1,410,964
Wicomico	8,283,505	7,527,478	756,027
Worcester	1,609,824	1,520,792	89,032

1984 Current Expense
 Transportation and Social Security Included
 Per Pupil \$798
 State Share 45%

Local Unit	Proposed	Payments	Difference
	Approach State Total	Under Present System	
Total State	653,160,954	447,549,726	205,611,228
Allegany	15,129,784	9,882,609	5,247,175
Anne Arundel	61,971,228	41,532,972	20,438,256
Baltimore City	139,764,012	84,926,525	54,837,487
Baltimore	61,590,189	47,323,655	14,266,534
Calvert	4,451,297	3,287,542	1,163,755
Caroline	5,741,910	3,751,528	1,990,382
Carroll	21,465,778	13,819,501	7,646,277
Cecil	14,498,781	9,008,416	5,490,365
Charles	22,948,982	14,739,858	8,209,124
Dorchester	5,518,210	3,875,360	1,642,850
Frederick	24,333,520	15,872,069	8,461,451
Garrett	6,896,892	4,617,291	2,279,601
Harford	35,357,679	22,203,563	13,154,116
Howard	21,697,608	15,733,989	5,963,619
Kent	2,430,367	1,952,262	478,105
Montgomery	38,574,840	38,548,403	26,437
Prince George's	114,864,848	78,213,578	36,651,270
Queen Anne's	3,963,930	2,984,304	979,626
St. Mary's	13,944,911	8,898,190	5,046,721
Somerset	4,223,116	2,772,821	1,450,295
Talbot	1,297,375	1,236,008	61,367
Washington	20,031,182	12,982,573	7,048,609
Wicomico	11,012,217	7,640,735	3,371,482
Worcester	1,452,298	1,745,974	(293,676)

1984 Current Expense
 Basic Education, Transportation, Social Security + \$206 Million
 Per Pupil \$1,273
 State Share 70%

Local Unit	State		Net Gain/Loss
	Share	to Pay Anyway	
Total State	653,349,624	447,549,726	205,799,898
Allegany	13,271,164	9,882,609	3,388,555
Anne Arundel	61,397,926	41,532,972	19,864,954
Baltimore City	126,093,906	84,926,525	41,167,381
Baltimore	71,767,003	47,323,655	24,443,348
Calvert	4,885,435	3,287,542	1,597,893
Caroline	4,805,804	3,751,528	1,054,276
Carroll	20,257,303	13,819,501	6,437,802
Cecil	12,970,509	9,008,416	3,962,093
Charles	19,911,084	14,739,858	5,171,226
Dorchester	4,885,587	3,875,360	1,010,227
Frederick	23,339,175	15,872,069	7,467,106
Garrett	5,904,772	4,617,291	1,287,481
Harford	32,561,233	22,203,563	10,357,670
Howard	24,068,180	15,733,989	8,334,191
Kent	2,269,925	1,952,262	317,663
Montgomery	60,849,208	38,548,403	22,300,805
Prince George's	112,517,397	78,213,578	34,303,819
Queen Anne's	3,834,159	2,984,304	849,855
St. Mary's	11,998,324	8,898,190	3,100,134
Somerset	3,578,848	2,772,821	806,027
Talbot	1,822,319	1,236,008	586,311
Washington	18,735,981	12,982,573	5,753,408
Wicomico	10,163,970	7,640,735	2,523,235
Worcester	1,460,412	1,745,974	(285,562)

1980 Distribution of State Aid Using a Minimum Guarantee and Equalizing Compensatory Education Payments

Local Unit	Minimum Guarantee	Additional Equalization	Compensatory Education	Total Payments	Total Funds Which Would Have Been Included		Difference
Total State	359,820,835	45,398,715	13,748,445	418,967,995	377,607,700		41,360,295
Allegany	7,908,843	1,172,927	367,440	9,449,210	8,077,596		1,371,614
Anne Arundel	33,677,231	4,285,162	160,994	38,123,387	33,696,090		4,427,297
Baltimore City	81,376,128	12,110,376	9,590,073	103,076,577	96,326,878		6,749,699
Baltimore	40,812,116	4,072,541	-	44,884,657	40,896,247		3,988,410
Calvert	2,887,472	276,428	158,509	3,322,409	2,682,966		639,443
Caroline	2,760,219	415,737	192,497	3,368,453	2,777,208		591,245
Carroll	9,421,150	1,308,063	14,643	10,743,856	9,524,473		1,219,383
Cecil	6,898,839	1,036,532	209,466	8,144,837	6,978,344		1,166,493
Charles	9,356,282	1,387,825	243,847	10,987,954	9,560,494		1,427,460
Dorchester	2,802,128	388,250	227,189	3,417,567	2,836,133		581,434
Frederick	10,791,903	1,479,203	108,780	12,379,886	10,973,848		1,406,038
Garrett	2,970,406	440,662	257,286	3,668,354	3,006,851		661,503
Harford	16,996,062	2,423,958	175,478	19,595,498	17,177,746		2,417,752
Howard	9,484,512	1,027,436	-	10,511,948	9,700,027		811,921
Kent	1,361,339	165,692	85,924	1,612,955	1,372,763		240,192
Montgomery	28,929,468	1,413,403	-	30,342,871	29,410,062		932,809
Prince George's	62,301,054	8,183,906	259,085	70,744,045	63,670,311		7,073,784
Queen Anne's	2,008,860	240,844	76,878	2,326,582	1,982,690		343,892
St. Mary's	6,518,599	949,492	381,071	7,849,162	6,509,030		1,340,132
Somerset	2,141,046	323,638	254,192	2,718,876	2,147,718		571,158
Talbot	1,022,692	16,602	117,168	1,156,462	948,815		207,647
Washington	10,597,158	1,479,474	402,755	12,479,387	10,700,383		1,779,004
Wicomico	5,967,756	800,564	348,391	7,116,711	5,985,254		1,131,457
Worcester	829,572	-	116,779	946,351	665,773		280,578

VI - 1

The minimum guarantee was determined by adding together Current Expense and State Social Security payments in FY 1979 and dividing by the FTE pupil count. This per pupil cost is then guaranteed to the subdivisions in future years.

In addition to the minimum guarantee, there is \$45,398,715 to distribute among the subdivisions; that is, \$127 per pupil is distributed at 45% State share (thus providing for sharper equalization of this additional funding).

Funds for compensatory education are distributed in an equalized manner based on the number of disadvantaged children in a subdivision as defined by the 1970 census. The dollar amount distributed corresponds roughly to the amount of compensatory funds which would be distributed under the existing system to Baltimore City (\$13,510,300).

Total amount which would have been distributed under the present system includes funds for Current Expense, Social Security and Compensatory Education.

1984 Distribution of State Aid Using a Minimum Guarantee and Equalizing Compensatory Education Payments

Local Unit	Minimum Guarantee	Additional Equalization	Compensatory Education	Total Payments	Total Funds Which Would Have Been Included	Difference
Total State	331,498,836	238,987,945	17,562,492	588,049,273	373,547,202	214,502,071
Allegany	6,961,386	6,244,713	494,658	13,700,757	7,858,946	5,841,811
Anne Arundel	32,422,964	21,585,365	85,468	54,093,797	33,377,867	20,715,930
Baltimore City	67,870,080	59,882,430	12,419,012	140,171,522	86,769,381	53,402,141
Baltimore	35,776,210	18,168,825	-	53,945,035	37,911,692	16,033,343
Calvert	3,230,864	119,772	86,471	3,437,107	1,956,635	1,480,472
Caroline	2,614,555	2,219,960	242,322	5,076,837	2,758,928	2,317,909
Carroll	10,177,350	8,126,351	-	18,303,701	10,953,033	7,350,668
Cecil	6,749,553	5,891,307	265,889	12,906,749	7,275,839	5,630,910
Charles	10,147,254	9,197,407	307,870	19,652,531	11,465,338	8,187,193
Dorchester	2,559,304	2,037,354	290,786	4,887,444	2,785,110	2,102,334
Frederick	11,476,525	9,428,896	113,520	21,018,941	12,767,374	8,251,567
Garrett	3,012,554	2,598,801	322,327	5,933,682	3,248,569	2,685,113
Harford	17,100,262	14,030,307	201,676	31,332,245	18,478,207	12,854,038
Howard	10,902,576	7,350,332	-	18,252,908	12,614,343	5,638,565
Kent	1,173,886	747,149	110,441	2,031,476	1,230,932	800,544
Montgomery	25,674,896	6,849,085	-	32,523,981	29,795,036	2,728,945
Prince George's	56,208,198	44,940,101	576,191	101,724,490	64,251,363	37,473,127
Queen Anne's	1,997,100	1,119,401	79,902	3,196,403	1,919,039	1,277,364
St. Mary's	6,637,298	5,146,266	452,968	12,236,532	6,721,718	5,514,814
Somerset	1,939,050	1,621,389	320,749	3,881,188	2,007,865	1,873,323
Talbot	915,002	-	131,633	1,046,635	617,541	429,094
Washington	9,797,678	7,787,703	516,281	18,101,662	10,538,034	7,563,628
Wicomico	5,405,895	3,895,031	436,878	9,737,804	5,619,193	4,118,611
Worcester	748,396	-	107,450	855,846	625,219	230,627

VI-2

The minimum guarantee was determined by adding together Current Expense and State Social Security payments in FY 1979 and dividing by the FTE pupil count. This per pupil cost is then guaranteed to the subdivisions in future years.

In addition to the minimum guarantee, there is \$238,987,945 to distribute among the subdivisions; that is, \$718 per pupil is distributed at 45% State share (thus providing for sharper equalization of this additional funding).

Funds for compensatory education are distributed in an equalized manner based on the number of disadvantaged children in a subdivision as defined by the 1970 census. The dollar amount to be distributed was determined by increasing the 1980 anticipated payments at 7% per year. Baltimore City's estimated payment in 1984 under the present system would be \$11,248,400. Total amount which would have been distributed under the present system includes funds for Current Expense, Social Security and Compensatory Education.

FY 1980 Funding

EXHIBIT C-VII-1

Local Unit	To be		Difference
	State Share	Received Otherwise	
Total State	374,782,240	334,279,975	40,502,265
Allegany	8,790,116	7,341,790	1,448,326
Anne Arundel	34,108,967	29,902,521	4,206,446
Baltimore	95,983,303	88,688,922	7,294,381
Baltimore	37,544,633	34,421,794	3,122,839
Calvert	2,769,316	2,314,672	454,644
Caroline	3,152,615	2,558,960	593,655
Carroll	10,009,103	8,682,717	1,326,386
Cecil	7,693,735	6,458,888	1,234,847
Charles	10,317,443	8,748,760	1,568,683
Dorchester	3,146,090	2,550,228	595,862
Frederick	11,519,998	9,941,385	1,578,613
Garrett	3,495,640	2,784,883	710,757
Harford	18,063,190	15,598,804	2,464,386
Howard	9,083,569	8,360,537	723,032
Kent	1,447,169	1,202,810	244,359
Montgomery	22,400,314	22,551,145	(150,831)
Prince George's	64,063,364	56,344,451	7,718,913
Queen Anne's	2,095,876	1,766,376	329,500
St. Mary's	7,268,674	5,967,427	1,301,247
Somerset	2,572,388	1,992,216	580,172
Talbot	864,628	707,155	157,473
Washington	11,493,299	9,676,105	1,817,194
Wicomico	6,490,308	5,371,299	1,119,009
Worcester	408,502	346,130	62,372

FY 1984 Funding

EXHIBIT C-VII-2

Local Unit	To be		
	State Share	Received Otherwise	Difference
Total State	591,687,865	373,547,202	218,140,663
Allegany	13,940,260	7,858,946	6,081,314
Anne Arundel	52,872,138	33,377,867	19,494,271
Baltimore City	143,964,692	86,769,381	57,195,311
Baltimore	52,588,186	37,911,692	14,676,494
Calvert	2,457,502	1,956,635	500,867
Caroline	5,089,108	2,758,928	2,330,180
Carroll	18,544,254	10,953,033	7,591,221
Cecil	12,800,511	7,275,839	5,524,672
Charles	20,102,016	11,465,338	8,636,678
Dorchester	4,980,032	2,785,110	2,194,922
Frederick	21,638,483	12,767,374	8,871,109
Garrett	6,136,928	3,248,569	2,888,359
Harford	31,271,245	18,478,207	12,793,038
Howard	18,734,180	12,614,343	6,119,837
Kent	2,047,279	1,230,932	816,347
Montgomery	33,129,873	29,795,036	3,334,837
Prince George's	103,758,671	64,251,363	39,507,308
Queen Anne's	3,141,087	1,919,039	1,222,048
St. Mary's	12,029,463	6,721,718	5,307,745
Somerset	3,950,166	2,007,865	1,942,301
Talbot	563,832	617,541	(53,709)
Washington	18,224,705	10,538,034	7,686,671
Wicomico	9,723,254	5,619,193	4,104,061
Worcester	-	625,219	(625,219)

FY 1980 Funding

EXHIBIT C-VIII-1

Local Unit	To be		Difference
	State Share	Received Otherwise	
Total State	419,219,360	377,607,700	41,611,660
Allegany	9,537,746	8,077,596	1,460,150
Anne Arundel	38,048,028	33,696,090	4,351,938
Baltimore City	105,646,559	96,326,878	9,319,681
Baltimore	43,976,844	40,896,247	3,080,597
Calvert	3,351,151	2,682,966	668,185
Caroline	3,418,006	2,777,208	640,798
Carroll	10,718,439	9,524,473	1,193,966
Cecil	8,189,555	6,978,344	1,211,211
Charles	11,036,378	9,560,494	1,475,884
Dorchester	3,474,199	2,836,133	638,066
Frederick	12,375,118	10,973,848	1,401,270
Garrett	3,733,962	3,006,851	727,111
Harford	19,603,165	17,177,746	2,425,419
Howard	10,087,421	9,700,027	387,394
Kent	1,631,687	1,372,763	258,924
Montgomery	28,929,468	29,410,062	(480,594)
Prince George's	70,607,025	63,670,311	6,936,714
Queen Anne's	2,339,376	1,982,690	356,686
St. Mary's	7,943,172	6,509,030	1,434,142
Somerset	2,786,774	2,147,718	639,056
Talbot	1,176,904	948,815	228,089
Washington	12,564,485	10,700,383	1,864,102
Wicomico	7,196,953	5,985,254	1,211,699
Worcester	846,945	665,773	181,172

FY 1984 Funding

EXHIBIT C-VIII-2

Local Unit	To be		Difference
	State Share	Received Otherwise	
Total State	590,106,685	373,547,202	216,559,483
Allegany	13,946,594	7,858,946	6,087,648
Anne Arundel	53,803,540	33,377,867	20,425,673
Baltimore City	146,856,432	86,769,381	60,087,051
Baltimore	52,433,922	37,911,692	14,522,230
Calvert	3,417,000	1,956,635	1,460,365
Caroline	5,200,019	2,758,928	2,441,091
Carroll	18,183,286	10,953,033	7,230,253
Cecil	13,019,349	7,275,839	5,743,510
Charles	19,772,595	11,465,338	8,307,257
Dorchester	5,032,426	2,785,110	2,247,316
Frederick	20,986,082	12,767,374	8,218,708
Garrett	6,095,476	3,248,569	2,846,907
Harford	31,332,707	18,478,207	12,854,500
Howard	17,370,934	12,614,343	4,756,591
Kent	2,080,036	1,230,932	849,104
Montgomery	29,375,665	29,795,036	(419,371)
Prince George's	101,567,832	64,251,363	37,316,469
Queen Anne's	3,214,302	1,919,039	1,295,263
St. Mary's	12,448,748	6,721,718	5,727,030
Somerset	4,051,244	2,007,865	2,043,379
Talbot	915,002	617,541	297,461
Washington	18,319,244	10,538,034	7,781,210
Wicomico	9,935,854	5,619,193	4,316,661
Worcester	748,396	625,219	123,177

Following are calculations of State aid for FY 1980 and 1984 which include Current Expense aid, Social Security at 100% for both years, and compensatory aid for disadvantaged youngsters. This approach to the distribution of these monies attempts to follow the will of the Commission as it was expressed at the last meeting:

1. A pupil weighting factor of 1.23 has been applied to compensatory aid distributions for disadvantaged youngsters. The number of such pupils in each LEA has been taken from the federal government's estimates for Title I payments. The 1.23 weighting factor was developed by:
 - a. using the estimated amount of money for FY 1980 which Baltimore City would receive as density aid (\$13,510,300);
 - b. dividing this money by the total number of disadvantaged youngsters in Maryland (116,951); and,
 - c. equating this answer (\$115.52 per child) to the average amount per child for all pupils in FY 1980.
 - d. The 1.23 weighting factor will result in greater funding for compensatory aid. These funds will increase from \$13,510,300 in FY 1980 to \$20,548,291 in FY 1984.
2. Approximately 84.5% of the FY 1980 and 89.0% of the 1984 payments under this approach are equalized.
3. A per pupil guarantee, based on FY 1979 payments, assures each subdivision that no less money per pupil will be paid to them than was paid to them per pupil for FY 1979. Only a decline in enrollment will result in less net money being paid to any LEA. In fact, only one LEA, Montgomery County, would not receive more money than they would have otherwise gotten under the present payment concept. In FY 1980 they would receive \$480,594 less and in FY 1984 the net decrease would be \$419,371.

State Aid for Current Expense for FY 1984 at \$1,254 Per Pupil
(\$624 at 55% State Share and \$630 at 50% State Share)

Local Unit	Health	Enrollment 9/30/82	Enrollment x \$1,254	Local Share	State Share	To Receive		Difference
						In 1984 Under FY 1979 Formula		
Total State	95,433,225	732,890	919,044,060	437,084,168	481,959,892	276,329,169	205,630,723	
Allegany	900,611	12,498	15,672,492	4,124,798	11,547,694	6,453,147	5,094,547	
Anne Arundel	9,470,211	70,028	87,815,112	43,373,566	44,441,546	25,496,111	18,945,435	
Baltimore City	8,158,254	117,830	147,758,820	37,364,803	110,394,017	61,641,308	48,752,709	
Baltimore	16,196,523	93,655	117,443,370	74,180,075	43,263,295	25,588,330	17,674,965	
Calvert	1,913,526	8,242	10,335,468	8,763,949	1,571,519	1,075,382	496,137	
Caroline	356,188	4,595	5,762,130	1,631,341	4,130,789	2,312,137	1,618,652	
Carroll	2,395,220	21,426	26,868,204	10,970,108	15,898,096	9,011,469	6,886,636	
Cecil	1,034,071	12,569	15,761,526	4,736,045	11,025,481	6,180,499	4,844,982	
Charles	1,475,867	19,038	23,873,652	6,759,471	17,114,181	9,579,361	7,534,800	
Dorchester	521,429	5,038	6,317,652	2,388,145	3,929,507	2,219,576	1,709,931	
Frederick	2,711,536	24,575	30,817,050	12,418,835	18,398,215	10,421,948	7,976,267	
Garrett	531,154	5,861	7,349,694	2,432,685	4,917,009	2,764,009	2,153,000	
Harford	3,147,158	32,822	41,158,789	14,413,984	26,744,804	15,062,529	11,682,275	
Howard	4,519,080	29,308	36,752,232	20,697,386	16,054,846	9,331,537	6,723,309	
Kent	387,057	2,674	3,353,196	1,772,721	1,580,475	912,253	603,222	
Montgomery	19,944,022	93,704	117,504,816	91,343,621	26,161,195	16,590,667	9,570,523	
Prince George's	13,447,057	119,338	149,649,852	61,587,521	88,062,331	49,935,813	38,126,518	
Queen Anne's	757,323	4,755	5,962,770	3,468,539	2,494,231	1,455,802	1,038,429	
St. Mary's	1,176,880	12,134	15,216,036	5,390,110	9,825,926	5,536,179	4,289,747	
Somerset	288,337	3,475	4,357,650	1,320,583	3,037,067	1,702,898	1,334,209	
Talbot	1,020,783	3,781	4,741,374	4,675,186	66,188	148,803	(62,615)	
Washington	2,018,129	19,363	24,281,202	9,243,031	15,038,171	8,496,779	6,541,392	
Wicomico	1,334,145	11,055	13,862,970	6,110,384	7,752,586	4,412,661	3,339,925	
Worcester	1,728,664	5,126	6,428,004	7,917,281	(1,489,277)	-	-	

Note: Does not include Social Security.

FY 1980 at \$739 Per Pupil to Distribute \$405,297,853
Current Expense Plus Social Security

Local Unit	FY 1979 Per Pupil Base*	Per Pupil Base Times FY 1980 Enrollment	Pupils X Factor X \$739	Adjusted Back to \$739 X Enrollment (.89203786)	Per Pupil Bases Plus 20% of Difference Between Ad- justed & Base	To Receive Under Present System	Difference
Total State	367,187,929	359,820,835	658,257,848	587,190,921	405,297,853	364,097,400	41,200,453
Allegany	557	7,908,843	16,547,557	14,761,047	9,279,284	8,077,596	1,201,688
Anne Arundel	463	33,677,231	55,257,717	49,291,976	36,800,180	33,696,090	3,104,090
Baltimore City	576	81,376,128	177,069,934	157,953,085	96,691,519	82,816,578	13,874,941
Baltimore	382	40,812,116	62,215,186	55,498,301	43,749,353	40,896,247	2,853,106
Calvert	392	2,887,472	4,256,797	3,797,224	3,069,422	2,682,966	386,456
Caroline	569	2,760,219	6,076,387	5,420,367	3,292,249	2,777,208	515,041
Carroll	475	9,421,150	16,811,953	14,996,899	10,536,300	9,524,473	1,011,827
Cecil	537	6,898,839	14,345,333	12,796,580	8,078,387	6,978,344	1,100,043
Charles	533	9,356,282	18,939,713	16,894,941	10,864,014	9,560,494	1,303,520
Dorchester	508	2,802,128	5,042,413	4,498,023	3,141,307	2,836,133	305,174
Frederick	467	10,791,903	18,973,159	16,924,776	12,018,478	10,973,848	1,044,630
Garrett	514	2,970,406	5,889,269	5,253,451	3,427,015	3,006,851	420,164
Harford	521	16,996,062	32,014,970	28,558,565	19,308,563	17,177,746	2,130,817
Howard	372	9,484,512	15,205,126	13,563,548	10,300,319	9,700,027	600,292
Kent	439	1,361,339	2,181,640	1,946,105	1,478,292	1,372,763	105,529
Montgomery	274	28,929,468	48,063,460	42,874,426	31,718,460	29,410,062	2,308,398
Prince George's	471	62,301,054	105,081,772	93,736,919	68,591,227	63,670,311	4,920,916
Queen Anne's	420	2,008,860	3,227,124	2,878,717	2,182,831	1,982,690	200,141
St. Mary's	547	6,518,599	13,025,055	11,618,842	7,538,648	6,509,030	1,029,618
Somerset	558	2,141,046	4,653,126	4,150,765	2,542,990	2,147,718	395,272
Talbot	242	1,022,692	1,776,995	1,585,147	1,135,183	948,815	186,368
Washington	506	10,597,158	19,222,281	17,147,002	11,907,127	10,700,383	1,206,744
Wicomico	489	5,967,756	10,281,382	9,171,382	6,608,481	5,985,254	623,227
Worcester	146	829,572	2,099,499	1,872,833	1,038,224	665,773	372,451

* (FY 1979 Current Expense + FY 1979 Social Security) ÷ FY 1979 Enrollment

FY 1980 at \$739 Per Pupil to Distribute \$405,297,853
Current Expense Plus Social Security

Local Unit	Local Wealth	Wealth Per Pupil	Pupils	Factor
Total State	57,942,078	72,922	794,575	
Allegany	656,610	46,243	14,199	1.577
Anne Arundel	5,158,789	70,924	72,737	1.028
Baltimore City	6,074,927	43,000	141,278	1.696
Baltimore	9,891,547	92,585	106,838	.788
Calvert	686,515	93,201	7,366	.782
Caroline	208,687	43,019	4,851	1.695
Carroll	1,261,307	63,593	19,834	1.147
Cecil	619,830	48,247	12,847	1.511
Charles	876,597	49,937	17,554	1.460
Dorchester	325,294	58,973	5,516	1.237
Frederick	1,516,292	65,615	23,109	1.111
Garrett	305,491	52,862	5,779	1.379
Harford	1,790,662	54,891	32,622	1.328
Howard	2,302,662	90,315	25,496	.807
Kent	237,641	76,634	3,101	.952
Montgomery	12,495,324	118,347	105,582	.616
Prince George's	8,973,846	67,843	132,274	1.075
Queen Anne's	381,872	79,839	4,783	.913
St. Mary's	587,466	49,296	11,917	1.479
Somerset	170,480	44,431	3,837	1.641
Talbot	541,771	128,199	4,226	.569
Washington	1,229,466	58,705	20,943	1.242
Wicomico	780,567	63,960	12,204	1.140
Worcester	868,435	145,800	5,682	.500

FY 1984 at \$1,550 Per Pupil
State Share is 50%
Current Expense Plus Social Security Combined

Local Unit	Local Wealth	Wealth Per Pupil	Pupils	Factors	Initial Distribution	(.864531943) Adjusted by		Would Have Received Anyway	Difference
						Correct Amount	Correct Amount		
Total State	95,433,225	130,215	732,890		657,348,530	568,298,801	362,298,802	205,999,999	
Allegany	900,611	72,060	12,498	1.81	17,531,569	15,156,601	7,858,946	7,297,655	
Anne Arundel	9,470,211	135,235	70,028	.96	52,100,832	45,042,834	33,377,867	11,664,967	
Baltimore City	8,158,254	69,237	117,830	1.88	171,678,310	148,421,383	75,520,981	72,900,402	
Baltimore	16,196,523	172,938	93,655	.75	54,436,969	47,062,499	37,911,692	9,150,807	
Calvert	1,913,526	232,168	8,242	.56	3,577,028	3,092,455	1,956,635	1,135,820	
Caroline	356,188	77,516	4,595	1.68	5,982,690	5,172,227	2,758,928	2,413,299	
Carroll	2,395,220	111,790	21,426	1.16	19,261,974	16,652,592	10,953,033	5,699,559	
Cecil	1,034,071	82,272	12,569	1.58	15,390,741	13,305,787	7,275,839	6,029,948	
Charles	1,475,867	17,522	19,038	1.68	24,787,476	21,429,565	11,465,338	9,964,227	
Dorchester	521,429	103,499	5,038	1.26	4,919,607	4,253,157	2,785,110	1,468,047	
Frederick	2,711,536	110,337	24,575	1.18	22,473,838	19,429,351	12,767,374	6,661,977	
Garrett	531,154	90,625	5,861	1.44	6,540,876	5,654,796	3,248,569	2,406,227	
Harford	3,147,158	95,886	32,822	1.36	34,594,388	29,907,953	18,478,207	11,429,746	
Howard	4,519,080	154,193	29,308	.84	19,079,508	16,494,844	12,614,343	3,880,501	
Kent	387,057	144,148	2,674	.90	1,865,115	1,612,451	1,230,932	381,519	
Montgomery	19,944,022	212,841	93,704	.62	45,024,772	38,925,354	29,795,036	9,130,318	
Prince George's	13,447,057	112,680	119,338	1.16	107,284,862	92,751,190	64,251,363	28,499,827	
Queen Anne's	757,323	159,269	4,755	.82	3,021,803	2,612,445	1,919,039	693,406	
St. Mary's	1,176,880	96,990	12,134	1.34	12,601,159	10,894,104	6,721,718	4,172,386	
Somerset	288,337	82,975	3,475	1.57	4,228,206	3,655,419	2,007,865	1,647,554	
Talbot	1,020,783	269,977	3,781	.48	1,406,532	1,215,992	617,541	598,451	
Washington	2,018,129	104,226	19,363	1.25	18,757,906	16,216,809	10,538,034	5,678,775	
Wicomico	1,334,145	120,682	11,055	1.08	9,253,035	7,999,544	5,619,193	2,380,351	
Worcester	1,728,664	337,234	5,126	.39	1,549,334	1,339,449	625,219	714,230	
Revised 10/26/78									

FY 1980 Current Expense Plus Social Security
\$20 Million Added

TABLE III

Local Unit	FY 1979 Per Pupil Base	Per Pupil Base x FY 1980 Enrollment	Pupils x Factor x \$606	Adjust Back to \$606 x Enrollment (.89203787)	Per Pupil Base Plus 20% of Difference Between Adjusted and Base	To Receive Under Present System	Difference
Total State		359,820,835	539,789,248	481,509,775	384,158,622	364,097,400	20,061,222
Allegany	557	7,908,843	13,569,445	12,104,459	8,747,966	8,077,596	670,370
Anne Arundel	463	33,677,231	45,312,823	40,420,754	35,025,936	33,696,090	1,329,846
Baltimore City	576	81,376,128	145,202,138	129,525,806	91,006,064	82,816,578	8,189,486
Baltimore	382	40,812,116	51,018,136	45,510,109	41,751,715	40,896,247	855,468
Calvert	392	2,887,472	3,490,688	3,113,826	2,932,743	2,682,966	249,777
Caroline	569	2,760,219	4,982,802	4,444,848	3,097,145	2,777,208	319,937
Carroll	475	9,421,150	13,786,256	12,297,862	9,996,492	9,524,473	472,019
Cecil	537	6,898,839	11,763,561	10,493,542	7,617,780	6,978,344	639,436
Charles	533	9,356,282	15,531,077	13,854,309	10,255,887	9,560,494	695,393
Dorchester	508	2,802,128	4,134,915	3,685,825	2,978,867	2,836,133	142,734
Frederick	467	10,791,903	15,558,504	13,878,775	11,409,277	10,973,848	435,429
Garrett	514	2,970,406	4,829,360	4,307,972	3,237,919	3,006,851	231,068
Harford	521	16,996,062	26,253,142	23,418,797	18,280,609	17,177,746	1,102,863
Howard	372	9,484,512	12,468,615	11,122,477	9,812,105	9,700,027	112,078
Kent	439	1,361,339	1,789,004	1,595,859	1,408,243	1,372,763	35,480
Montgomery	274	28,929,468	39,413,338	35,158,190	30,175,212	29,410,062	765,150
Prince George's	471	62,301,054	86,169,897	76,866,811	65,214,205	63,670,311	1,543,894
Queen Anne's	420	2,008,860	2,646,329	2,360,626	2,079,213	1,982,690	96,523
St. Mary's	547	6,518,599	10,680,897	9,527,765	7,120,432	6,509,030	611,402
Somerset	558	2,141,046	3,815,689	3,403,739	2,393,585	2,147,718	245,867
Talbot	242	1,022,692	1,457,184	1,299,863	1,078,126	948,815	129,311
Washington	506	10,597,158	15,762,791	14,061,007	11,289,928	10,700,383	589,545
Wicomico	489	5,967,756	8,431,011	7,520,781	6,278,361	5,985,254	293,107
Worcester	146	829,572	1,721,646	1,535,773	970,812	665,773	305,039

FY 1984 at \$631 Per Pupil to Distribute \$462,298,802
Current Expense Plus Social Security
\$100 Million Added

Local Unit	Local Wealth	Wealth Per Pupil	Pupils	Factors	Pupils x Factor x \$631 Initial Distribution	(.86377258) Adjusted by Correct Amount	Would Have Received Anyway	Difference
Total State	95,433,225	130,215	732,890		535,208,930	462,298,802	362,298,802	100,000,000
Allegany	900,611	72,060	12,498	1.81	14,274,091	12,329,569	7,858,946	4,470,623
Anne Arundel	9,470,211	135,235	70,028	.96	42,420,161	36,644,372	33,377,867	3,263,505
Baltimore City	8,158,254	69,237	117,830	1.88	139,779,372	120,737,590	75,520,981	45,216,609
Baltimore	16,196,523	172,938	93,655	.75	44,322,229	38,284,326	37,911,692	372,634
Calvert	1,913,526	232,168	8,242	.56	2,912,393	2,515,645	1,956,635	559,010
Caroline	356,188	77,516	4,595	1.68	4,871,068	4,207,495	2,758,928	1,448,567
Carroll	2,395,220	111,790	21,426	1.16	15,682,975	13,546,524	10,953,033	2,593,491
Cecil	1,034,071	82,272	12,569	1.58	12,531,042	10,823,971	7,275,839	3,548,132
Charles	1,475,867	77,522	19,038	1.68	20,181,803	17,432,488	11,465,338	5,967,150
Dorchester	521,429	103,499	5,038	1.26	4,005,512	3,459,851	2,785,110	674,741
Frederick	2,711,536	110,337	24,575	1.18	18,298,054	15,805,357	12,767,374	3,037,983
Garrett	531,154	90,625	5,861	1.44	5,325,539	4,600,055	3,248,569	1,351,486
Harford	3,147,158	95,886	32,822	1.36	28,166,528	24,329,475	18,478,207	5,851,268
Howard	4,519,080	154,193	29,308	.84	15,534,412	13,418,199	12,614,343	803,856
Kent	387,057	144,748	2,674	.90	1,518,565	1,311,695	1,230,932	80,763
Montgomery	19,944,022	212,841	93,704	.62	36,658,879	31,664,935	29,795,036	1,869,899
Prince George's	13,447,057	112,680	119,338	1.16	87,350,642	75,451,090	64,251,363	11,199,727
Queen Anne's	757,323	159,269	4,755	.82	2,460,332	2,125,167	1,919,039	206,128
St. Mary's	1,176,880	96,990	12,134	1.34	10,259,782	8,862,118	6,721,718	2,140,400
Somerset	288,337	82,975	3,475	1.57	3,442,578	2,973,605	2,007,865	965,740
Talbot	1,020,783	269,977	3,781	.48	1,145,189	989,183	617,541	371,642
Washington	2,018,129	104,226	19,363	1.25	15,272,566	13,192,024	10,538,034	2,653,990
Wicomico	1,334,145	120,682	11,055	1.08	7,533,761	6,507,456	5,619,193	888,263
Worcester	1,728,664	337,234	5,126	.39	1,261,457	1,089,612	625,219	464,393
Revised 10/26/78								

(b) Total Allowed Per Undr. Share

SCHOOL SYSTEM	9/30/76		Enrollment Index	Total Programs (1)x(2)x.76	Total Wealth	Overburden Index	Adjusted Wealth (4x5)	Local Share (.0007x6)	State Share (3-7)	State Share Per Unad.	Guarantee Per Pupil	Total Ad. Per Pupil
	Enrollment	Index										
Allegeny	15,638	1.209	1.209	\$ 1,449,928	\$ 656,610	1.22	\$ 801,064	\$ 532,787	\$ 857,141	\$54	\$674	\$729
Anne Arundel	77,069	1.229	1.229	7,079,552	5,158,789	.96	4,952,437	3,664,803	3,414,749	44	523	629
Baltimore City	159,028	1.229	1.229	14,664,732	6,074,927	.46	2,794,466	2,067,904	12,786,828	80	690	770
Baltimore	118,844	1.164	1.164	10,513,384	9,792,631	.29	7,792,631	7,426,546	3,266,838	27	453	470
Calvert	7,216	1.254	1.254	609,548	666,515	1.02	700,245	518,181	171,367	23	558	581
Cecil	5,134	1.253	1.253	506,464	208,687	1.16	242,076	179,136	327,328	63	748	811
Cerroville	15,819	1.248	1.248	1,880,596	1,261,307	.97	1,223,467	905,365	975,331	49	643	692
Cecil	13,310	1.240	1.240	1,254,304	619,830	1.20	793,996	550,409	703,895	52	683	735
Charles	17,317	1.261	1.261	1,663,412	876,597	1.31	1,148,342	849,773	813,639	46	757	803
Chesapeake	6,032	1.308	1.308	559,564	326,244	1.30	390,352	288,860	310,704	51	661	718
Fredrick	21,958	1.228	1.228	2,142,592	1,518,232	1.14	1,728,572	1,229,143	863,449	37	633	670
Frederick	5,844	1.345	1.345	537,360	305,491	.90	274,941	203,956	393,904	67	757	824
Garrett	33,955	1.215	1.215	3,135,380	1,799,662	1.30	1,728,572	1,590,107	1,545,273	45	644	691
Howard	24,657	1.215	1.215	2,276,608	2,302,662	1.09	2,509,901	1,857,326	419,492	17	563	580
Kent	3,444	1.236	1.236	323,456	237,641	1.11	263,781	195,197	128,259	37	649	686
Prince George's	117,630	1.178	1.178	10,531,168	12,495,324	1.04	12,595,136	9,616,400	914,768	7	373	382
Queen Anne's	144,747	1.209	1.209	13,259,924	8,973,846	.94	8,435,415	6,242,207	7,057,717	48	590	638
St. Mary's	4,664	1.301	1.301	462,904	381,872	1.13	431,115	319,321	163,583	33	625	658
Somerset	12,119	1.305	1.305	1,205,892	587,466	1.16	681,460	504,280	701,612	57	760	817
Tellico	4,266	1.250	1.250	440,128	170,460	1.28	218,214	161,478	258,650	60	638	758
Washington	4,500	1.277	1.277	436,596	541,771	1.23	666,378	493,119	-	40	380	380
Vicomico	22,314	1.226	1.226	2,079,056	1,229,466	1.30	1,598,705	1,182,745	896,311	45	641	667
Worcester	13,313	1.237	1.237	1,251,568	780,567	1.11	866,429	641,157	610,411	45	649	667
STATE TOTAL	860,379	-	-	\$79,264,960	\$57,945,028	1.03	\$56,592,305	\$41,811,621	\$37,581,219	-	-	-

- (1) See Index, Regional: Attached
- (2) Index To Adjust Wealth:
(County Ed. Exp. \div All Exp.) \div (All County Ed. Exp. \div All County Total Exp.)
- (3) Will Not Agree In Total Due To Tolbot And Worcester Negative
- (4) Current Program Level In 1980 \div 3/30/76 Enrollment

TJ5:vr

TO DISTRIBUTE APPROXIMATELY \$40 MILLION IN ADDITIONAL AID
AND PHASE OUT TRANSPORTATION, HANDICAPPED AND FICA CENTS
(EXCLUDES OVERHEAD ADJUSTMENT)

SCHOOL SYSTEM	9/30/76 Enrollment	(1) Enrollment Index	Total Programs (1)+(2)+(3)	Total Worth	Local Share (.00069xCol. 4)	State Share (1-5)	State Share Per Pupil	Guarantee Per Pupil	Total Aid Per Pupil
Allegany	15,638	1.220	\$ 1,449,928	\$ 656,610	\$ 453,060	\$ 996,868	\$63	\$675	\$738
Anne Arundel	77,049	1.209	7,075,552	5,158,789	3,559,764	3,319,966	45	565	610
Baltimore City	159,038	1.229	14,854,732	6,074,927	4,191,699	10,663,033	67	690	757
Baltimore	118,844	1.164	10,513,384	9,091,547	6,825,167	3,668,217	31	453	484
Calvert	7,236	1.254	687,548	666,515	473,695	215,853	29	558	587
Caroline	5,154	1.293	506,444	208,687	143,994	362,470	70	748	818
Carroll	19,829	1.248	1,860,496	1,267,307	870,301	1,010,395	50	643	693
Cecil	13,310	1.240	1,254,304	619,830	427,682	626,622	62	683	745
Charles	17,357	1.261	1,663,412	876,597	604,851	1,058,561	60	757	817
Dorchester	6,032	1.308	599,564	325,294	224,452	375,112	62	667	729
Frederick	22,958	1.228	2,147,592	1,516,292	1,046,241	1,096,351	47	633	680
Garrett	5,844	1.345	597,360	305,491	210,788	386,572	66	757	823
Harford	31,955	1.215	3,135,380	1,790,662	1,235,556	1,899,824	55	646	701
Howard	24,657	1.215	2,276,808	2,302,662	1,588,836	687,972	27	563	590
Kent	3,444	1.236	323,456	237,641	163,972	159,484	46	649	695
Montgomery	117,630	1.178	10,531,168	12,495,324	8,621,773	1,909,395	16	375	391
Prince George's	144,747	1.209	13,299,924	8,973,846	6,191,953	7,107,971	49	590	639
Queen Anne's	4,884	1.301	483,904	381,872	263,491	219,413	44	625	669
St. Mary's	12,159	1.305	1,203,892	587,466	405,351	800,541	65	760	825
Somerset	4,286	1.290	430,128	170,480	117,631	302,497	70	698	768
Talbot	4,500	1.277	436,596	541,771	373,821	62,875	13	380	393
Washington	22,314	1.226	2,079,056	1,229,466	848,331	1,330,725	55	621	676
Wicomico	13,313	1.237	1,251,568	780,567	538,591	712,977	53	622	675
Worcester	6,201	1.253	590,444	860,435	599,230	-	-	276	276
STATE TOTAL	860,372	-	\$79,264,960	\$57,942,078	\$39,980,020	\$39,293,716	-	-	-

- (1) See Index Narrative Attached
(2) Will Not Agree in Total Due to Worcester Negative
(3) Current Program Level in 1980 & 9/30/76 Enrollment

Office of Finance - 8/1/78

STATE EDUCATION AID PROPOSAL
TO DISTRIBUTE APPROXIMATELY \$40 MILLION IN ADDITIONAL AID
AND PHASE OUT TRANSPORTATION, HANDICAPPED AND PICA TRANTS
(INCLUDES OVERBURDEN ADJUSTMENT)

TABLE 5

MOUL SYSTEM	9/30/76 Enrollment	Enrollment Index	Total Programs (1) x (2) x 376	Total Wealth	Overburden Index	Adjusted Wealth (x5)	Local Share State Share (.00058 x 6)	(3) State Share Per Unde. Pupils	(4) Guarantee Per Pupils	Total Aid Per Unde. Pupils
Allegany	15,638	1.276	\$ 1,516,510	\$ 656,610	1.22	\$ 801,064	\$ 544,723	\$ 971,787	\$ 675	\$ 377
Anne Arundel	27,049	1.212	7,097,137	5,158,789	.96	4,952,437	3,367,657	3,729,480	585	633
Baltimore City	155,038	1.320	14,746,003	6,074,927	.46	2,794,466	1,900,236	12,845,767	690	770
Baltimore	118,644	1.165	10,522,447	9,891,547	.99	9,792,631	6,658,989	3,863,458	453	485
Calvert	7,236	1.326	730,315	686,515	1.02	700,245	476,166	354,149	558	593
Caroline	5,154	1.334	522,533	208,687	1.16	242,076	164,611	357,922	748	817
Carroll	19,829	1.267	1,909,374	1,261,307	.97	1,223,467	831,957	1,077,417	643	697
Cecil	13,310	1.259	1,273,554	619,830	1.20	753,796	505,781	767,773	683	740
Charles	17,357	1.294	1,706,956	876,597	1.31	1,148,342	780,872	924,084	757	810
Chesapeake	6,032	1.330	609,714	325,294	1.20	390,352	265,439	344,775	667	724
Frederick	22,958	1.269	2,216,161	1,516,292	1.14	4,728,572	1,175,428	1,038,733	633	678
Garrett	5,844	1.572	696,194	305,491	.90	274,941	186,959	511,235	757	814
Harford	33,955	1.211	3,125,082	1,790,662	1.20	2,148,794	1,461,179	1,663,903	646	695
Harris	24,657	1.223	2,291,818	2,302,662	1.09	2,509,901	1,706,732	585,086	564	586
Howard	3,444	1.306	341,837	237,641	1.11	263,781	179,371	162,466	649	696
Montgomery	117,630	1.146	10,245,102	12,495,324	1.04	12,995,136	8,036,632	1,408,110	375	366
Prince George's	144,747	1.198	13,178,994	8,773,846	1.13	8,435,415	5,736,032	7,442,842	520	641
Queen Anne's	4,684	1.316	488,478	381,872	1.13	431,515	293,430	195,048	629	644
St. Mary's	12,159	1.285	1,187,447	567,466	1.16	681,460	463,332	734,955	760	819
Sorrellet	4,286	1.307	442,736	170,480	1.28	218,214	146,385	277,351	698	762
Talbot	4,500	1.321	451,782	541,771	1.23	666,378	453,137	484,385	380	360
Washington	22,314	1.278	2,167,314	1,229,466	1.30	1,598,305	1,086,817	1,080,167	621	669
Wicomico	13,313	1.239	1,253,605	780,567	1.11	866,429	589,171	664,934	628	671
Worcester	6,201	1.305	615,015	868,435	1.03	894,488	588,251	6,764	276	272
STATE TOTAL	860,379	-	\$79,319,938	\$57,942,078	-	\$56,502,205	\$38,421,467	\$40,898,906	-	-

- (1) See Index Rationale Attached
(2) Index to Adjust Wealth:
(County Ed. Exp. & All Exp.) & (All County Ed. Exp. & All County Total Exp.)
(3) Will Not Agree On Total Due To Talbot Negative
(4) Current Program Level in 1960 & 9/30/76 Enrollment

TJS:vt

STATE EDUCATION AID PROPOSAL
 TO DISTRIBUTE APPROXIMATELY \$40 MILLION IN ADDITIONAL AID
 AND PHASE OUT TAKESPARTATION, HANDICAPPED AND FICA TAXES
 (EXCLUDES OVERUNDER ADJUSTMENT)

SCHOOL SYSTEM	9/30/76 Enrollment	Enrollment Index	Total Programs (1)(2)575	Total Wealth	Local Share (\$1000/child)	State Share (\$1500/child)	State Share Per Undeveloped Pupil	Insurance Per Pupil	Total Aid Per Undeveloped Pupil
Allegany	15,630	1.276	\$ 1,516,510	\$ 656,610	\$ 459,627	\$ 1,056,881	967	\$675	\$742
Anne Arundel	77,049	1.212	7,097,137	5,158,789	3,611,152	3,485,985	45	505	630
Baltimore City	159,038	1.220	14,746,003	6,074,327	4,252,440	10,493,555	65	690	755
Baltimore	118,844	1.165	10,522,447	9,891,547	6,924,082	3,598,365	30	453	483
Baltimore - Elvert	7,236	1.328	730,315	686,515	480,560	249,733	34	558	552
Cecil	5,154	1.334	522,533	208,687	146,080	376,453	73	643	821
Cerro Hill	19,629	1.267	1,909,374	1,261,307	882,914	1,026,460	51	603	746
Cecil	13,310	1.259	1,273,554	619,830	433,881	835,673	63	683	746
Charles	17,357	1.294	1,706,956	876,597	613,617	1,093,339	63	757	819
Borchester	6,032	1.330	609,714	335,294	227,705	382,809	50	667	730
Frederick	22,938	1.269	2,214,161	1,516,792	1,061,404	1,152,757	82	633	683
Garrett	5,844	1.572	698,194	305,491	213,843	484,351	55	757	835
Harford	33,955	1.211	3,125,082	1,790,662	1,253,463	1,871,619	55	646	701
Howard	24,657	1.223	2,291,818	2,302,662	1,611,663	679,455	27	563	550
Kent	3,444	1.306	341,037	237,441	166,348	175,489	50	649	659
Montgomery	117,630	1.146	10,245,102	12,435,324	8,746,726	1,498,376	12	375	357
Prince George's	144,747	1.198	13,178,924	8,973,846	6,281,692	6,897,831	47	590	637
Queen Anne's	4,884	1.316	488,478	381,872	267,310	221,168	45	625	670
St. Mary's	12,159	1.285	1,187,447	587,466	411,226	776,421	71	760	823
Somerset	4,286	1.307	425,736	170,480	119,336	306,400	16	380	356
Talbot	4,500	1.321	451,782	541,771	379,239	72,453	58	621	679
Washington	22,314	1.278	2,167,314	1,229,466	860,626	1,306,688	53	622	675
Wicomico	13,313	1.239	1,253,605	780,567	546,396	707,809	1	276	272
Worcester	6,201	1.305	615,015	868,332	607,904	7,111	-	-	-
STATE TOTAL	860,372	-	\$79,319,038	\$57,252,078	\$40,559,442	\$38,759,384	-	-	-

- (1) See Index National Attached
 (2) Current Program Level in 1980 & 9/30/76 Enrollment

Taxative
 Office of Finance - 8/1/78

\$1,200 PER PUPIL FOUNDATION PROGRAM FOR FY'80
STATE SHARE 50% LOCAL SHARE 50%

Local Unit	1 Weighted Enrollment 9/30/78	2 Wealth for FY'80 (000)	3 Total Foundation Program	4 Local Share 50% LCR- .922%	5 State Share 50%	6 Present \$690 Program FY'80 State Share	7 Difference Between Proposed and \$690 Program	8 Difference Between Proposed and FY'79 Actual State Share
Total State	890,144	\$7,942,078	\$1,068,172,800	\$534,086,400	\$534,086,400	\$298,919,120	\$235,167,280	\$228,900,758
Allegheny	15,685	656,610	18,822,331	6,053,944	12,768,387	6,973,887	5,794,500	5,674,128
Anne Arundel	79,226	5,158,789	95,071,108	47,564,035	47,507,074	28,005,737	19,501,337	18,878,903
Baltimore City	171,147	6,074,927	205,375,924	56,010,827	149,365,097	71,359,634	78,005,463	75,461,966
Baltimore	117,818	9,891,547	141,381,205	91,200,063	50,181,142	31,184,568	18,996,574	17,452,552
Calvert	8,371	685,515	10,047,189	6,329,668	3,717,520	2,130,526	1,586,995	1,416,420
Caroline	5,466	208,687	6,559,599	1,924,094	4,635,505	2,449,836	2,185,669	2,151,984
Carroll	21,383	1,261,307	25,659,962	11,629,251	14,030,712	8,261,840	5,768,872	5,950,997
Cecil	14,093	619,830	16,911,885	5,714,833	11,197,052	6,199,161	4,997,891	4,999,437
Charles	19,942	876,597	23,930,989	8,082,224	15,848,765	8,342,893	7,505,872	7,809,818
Dorchester	6,057	325,294	7,267,919	2,999,211	4,268,708	2,407,276	1,861,433	1,813,799
Frederick	25,344	1,516,292	30,412,605	13,980,212	16,432,393	9,425,154	7,007,239	7,251,644
Garrett	6,499	305,491	7,798,362	2,816,627	4,981,735	2,673,899	2,307,836	2,332,403
Harford	35,741	1,790,662	42,889,306	16,509,904	26,379,402	14,809,333	11,570,069	11,643,277
Howard	27,543	2,302,662	33,051,341	21,230,544	11,820,797	7,690,793	4,130,004	4,499,621
Kent	3,566	237,641	4,279,566	2,191,050	2,088,516	1,117,834	970,682	914,232
Montgomery	114,506	12,495,324	137,406,893	115,206,887	22,200,006	19,121,687	3,078,319	2,364,458
Prince George's	145,139	8,973,846	174,166,400	82,738,860	91,427,540	52,681,522	38,746,018	38,112,681
Queen Anne's	5,278	381,872	6,333,183	3,520,860	2,812,323	1,658,220	1,154,103	1,107,456
St. Mary's	13,776	587,466	16,531,763	5,416,437	11,115,327	5,696,626	5,418,701	5,388,212
Somerset	4,455	170,480	5,345,460	1,571,826	3,773,634	1,914,466	1,859,168	1,804,444
Tulbot	4,772	541,771	5,726,423	4,995,129	731,294	586,325	144,969	30,297
Washington	23,869	1,229,466	28,642,956	11,335,677	17,307,279	9,163,966	8,143,313	7,974,356
Wicomico	13,504	780,567	16,204,880	7,196,828	9,008,052	5,064,322	3,943,730	3,771,693
Worcester	6,484	868,435	7,80,658	8,006,971	(- 226,307)	186,310	(- 412,612)	(- 618,463)

- Table C, Column 6.
- From MSDE Report to Governor's Commission on July 21, 1978.
- Column 1 multiplied by \$1,200.
- Wealth (Column 2) multiplied by Local Contribution Rate of .922%, which is percentage required of LEAs to make up total local share.
- Column 3 minus Column 4.
- Present Foundation of \$624 at 55% State Share, and \$66 at 50% State share, is projected using MSDE enrollment projections (Table C Column 1) and MSDE Wealth projections (Table D Column 2).
- Column 5 minus Column 6.
- Column 5 minus amount received by each LEA for Foundation Program in FY'79.

\$1,694 PER PUPIL FOUNDATION PROGRAM FOR FY'84
STATE SHARE 50% LOCAL SHARE 50%

	1	2	3	4	5
Local Unit	Weighted Enrollment 9/30/82	Wealth (000)	Total Program \$1,694 Times Weighted Enroll.	Local Share 50% LCR- .729%	State Share 50%
Total State	821,573	95,433,225	\$1,391,744,800	\$695,872,300	\$695,872,300
Allegany	13,854	900,611	23,468,207	6,565,454	16,902,753
Anne Arundel	76,107	9,470,211	128,925,302	69,037,838	59,887,464
Baltimore City	143,721	8,158,254	243,462,719	59,473,672	183,989,048
Baltimore	103,718	16,196,523	175,697,485	118,072,653	57,624,832
Calvert	9,270	1,913,526	15,703,243	13,949,605	1,753,639
Caroline	5,173	356,188	8,763,348	2,596,611	6,166,738
Carroll	22,891	2,395,220	38,777,288	17,461,154	21,316,134
Cecil	13,742	1,034,071	23,279,450	7,538,378	15,741,073
Charles	21,462	1,475,867	36,355,786	10,759,070	25,596,716
Dorchester	5,537	521,429	9,380,498	3,801,217	5,579,281
Frederick	26,715	2,711,536	45,255,395	19,767,097	25,488,297
Garrett	6,555	531,154	11,103,942	3,872,113	7,231,829
Harford	35,790	3,147,158	60,627,895	22,942,782	37,685,113
Howard	31,289	4,519,080	53,003,973	32,944,093	20,059,879
Kent	3,101	387,057	5,252,423	2,821,646	2,430,778
Montgomery	101,982	19,944,022	172,757,884	145,391,920	27,365,963
Prince George's	131,147	13,447,057	222,162,452	98,029,045	124,133,407
Queen Anne's	5,227	757,323	8,855,304	5,520,885	3,334,420
St. Mary's	13,944	1,176,880	23,621,249	8,579,455	15,041,794
Somerset	4,043	288,337	6,848,538	2,101,977	4,746,561
Talbot	4,283	1,020,783	7,255,159	7,441,508	(- 186,349)
Washington	22,071	2,018,129	37,388,840	14,712,160	22,676,680
Wicomico	11,055	1,334,145	20,756,528	9,725,917	11,030,611
Worcester	5,860	1,728,664	9,926,807	12,601,961	(- 2,675,154)

- Enrollment Projections presented by MSDE to the Governor's Commission, July 11, 1978, then adjusted as indicated on Table C.
- From MSDE Report to Governor's Commission on July 21, 1978.
- Column 1 multiplied by \$1,694.
- Wealth (Column 2) multiplied by Local Contribution Rate of .729%.
- Column 3 minus Column 4.

PHASE-IN OF \$1,694 FOUNDATION PROGRAM, STATE SHARES FOR FY'80 THROUGH FY-84

	1	2	3	4	5	6	7	8
	FY'84 Program State Share	FY'80 Present Law State Share	Amount to be Phased In	FY'80 + 20%	FY'81 + 40%	FY'82 + 60%	FY'83 + 80%	Yearly Increments FY'80-FY'84
Total State	\$695,872,300	\$298,919,120	\$396,953,180	\$378,309,756	\$457,700,392	\$537,091,028	\$616,481,664	\$79,390,636
Allegany	16,902,753	6,973,887	9,928,866	8,959,660	10,945,433	12,931,206	14,916,980	1,985,773
Anne Arundel	59,887,464	28,005,737	31,881,727	34,382,083	40,758,428	47,134,773	53,511,119	6,376,346
Baltimore City	183,989,048	71,359,634	112,629,414	93,885,517	116,411,399	138,937,282	161,463,165	22,525,883
Baltimore	57,624,832	31,184,568	26,440,264	36,472,621	41,760,674	47,048,727	52,336,779	5,288,053
Calvert	1,753,639	2,130,526	(- 376,887)	2,055,148	1,979,771	1,904,394	1,829,016	(- 75,377)
Caroline	6,166,739	2,449,836	3,716,902	3,193,216	3,936,597	4,679,977	5,423,358	743,380
Carroll	21,316,134	8,261,840	13,054,294	10,872,699	13,483,557	16,094,416	18,705,275	2,610,859
Cecil	15,741,073	6,199,161	9,541,912	8,107,543	10,015,926	11,924,308	13,832,690	1,908,382
Charles	25,596,716	8,342,893	17,253,823	11,793,658	15,244,422	18,695,187	22,145,951	3,450,765
Dorchester	5,579,281	2,407,276	3,172,005	3,041,677	3,676,078	4,310,479	4,944,880	634,401
Frederick	25,488,297	9,425,154	16,063,143	12,637,783	15,850,412	19,063,040	22,275,669	3,212,629
Garrett	7,231,828	2,673,899	4,557,931	3,585,485	4,497,071	5,408,657	6,320,243	911,586
Harford	37,685,113	14,809,333	22,875,779	19,384,489	23,959,645	28,534,800	33,109,957	4,575,156
Howard	20,059,879	7,690,793	12,369,086	10,164,611	12,638,428	15,112,245	17,586,062	2,473,817
Kent	2,430,728	1,117,834	1,312,944	1,380,423	1,643,011	1,905,600	2,168,189	262,589
Montgomery	27,365,963	19,121,687	8,244,276	20,770,542	22,419,397	24,068,253	25,717,108	1,648,855
Prince George's	124,133,407	52,681,522	71,451,884	66,971,899	81,262,276	95,552,653	109,843,030	14,290,377
Queen Anne's	3,334,420	1,658,220	1,676,199	1,993,460	2,328,700	2,663,940	2,999,180	335,240
St. Mary's	15,041,794	5,696,626	9,345,168	7,565,660	9,434,693	11,303,727	13,172,761	1,869,034
Somerset	4,746,561	1,914,466	2,832,095	2,480,885	3,047,304	3,613,723	4,180,142	566,419
Talbot	(- 186,349)	586,325	(- 772,674)	431,790	277,255	122,721	(- 31,814)	(- 154,535)
Washington	22,676,680	9,163,966	13,512,714	11,866,509	14,569,052	17,271,594	19,974,137	2,702,543
Wicomico	11,030,611	5,064,322	5,966,289	6,257,580	7,450,837	8,644,095	9,837,353	1,193,258
Worcester	(- 2,675,154)	186,310	(- 2,861,463)	(- 385,983)	(- 958,276)	(- 1,530,569)	(- 2,102,861)	(- 572,293)

1. Table E, Column 5.
2. Table D, Column 6.
3. Column 1, minus Column 2.
4. Column 2, plus Column 8.
5. Column 4, plus Column 8.
6. Column 5, plus Column 8.
7. Column 6, plus Column 8.
8. Column 3, divided by 5.

FY 1984 Current Expense Only With \$59,500,000 Added Per Year Straight Per Pupil Count
 State Share = \$624 @ 55%; \$875 @ 50% - Lee Maurer Calculation
 9% Inflation Factor

Local Unit	Projected Wealth (000)	Enrollment Fall 1982	\$1,499 x Enrollment	To Receive			Difference	State Aid Per Pupil
				\$1,499 Local Share	State Share \$624 @ 55%	In 1984 Under FY 1979 Formula		
Total State	95,433,225	732,890	1,098,602,110	524,933,052	573,669,058	276,329,169	297,339,889	783
Allegany Anne Arundel Baltimore City Baltimore Calvert	900,611	12,498	18,734,502	4,971,373	13,763,129	6,453,147	7,309,982	1,101
	9,470,211	70,028	104,971,972	52,275,565	52,696,407	25,496,111	27,200,296	753
	8,158,254	117,830	176,627,170	45,033,562	131,593,608	61,641,308	69,952,300	1,117
	16,196,523	93,655	140,388,845	89,404,807	50,984,038	25,588,330	25,395,708	544
	1,913,526	8,242	12,354,758	10,562,664	1,792,094	1,075,382	716,712	217
Caroline Carroll Cecil	356,188	4,595	6,887,905	1,966,158	4,921,747	2,312,137	2,609,610	1,071
	2,395,220	21,426	32,117,574	13,221,614	18,895,960	9,011,460	9,884,500	882
	1,034,071	12,569	18,840,931	5,708,072	13,132,859	6,180,499	6,952,360	1,045
Charles Dorchester	1,475,867	19,038	28,537,962	8,146,786	20,391,176	9,579,381	10,811,795	1,071
	521,429	5,038	7,551,962	2,878,288	4,673,674	2,219,576	2,454,098	928
Frederick Garrett	2,711,536	24,575	36,837,925	14,967,679	21,870,246	10,421,948	11,448,298	890
	531,154	5,861	8,785,639	2,931,970	5,853,669	2,764,009	3,089,660	999
Harford Howard	3,147,158	32,822	49,200,178	17,372,312	31,827,866	15,062,529	16,765,337	970
	4,519,080	29,308	43,932,692	24,945,322	18,987,370	9,331,537	9,655,833	648
Kent	387,057	2,674	4,008,326	2,136,555	1,871,771	912,253	959,518	700
Montgomery Prince George's	19,944,022	93,704	140,462,296	110,091,001	30,371,295	16,590,667	13,780,628	324
	13,447,057	119,338	178,887,662	74,227,755	104,659,907	49,935,813	54,724,094	877
Queen Anne's St. Mary's	757,323	4,755	7,127,745	4,180,423	2,947,322	1,455,802	1,491,520	620
	1,176,880	12,134	18,188,866	6,496,378	11,692,488	5,536,179	6,156,309	964
Somerset	288,337	3,475	5,209,025	1,591,620	3,617,405	1,702,858	1,914,547	1,041
Talbott Washington	1,020,783	3,781	5,667,719	5,634,722	32,997	148,803	(115,806)	9
	2,018,129	19,363	29,025,137	11,140,072	17,885,065	8,496,779	9,388,286	924
Wicomico Worcester	1,334,145	11,055	16,571,445	7,364,480	9,206,965	4,412,661	4,794,304	833
	1,728,664	5,126	7,683,874	7,683,874	-	-	-	-

FY 1984 Current Expense Only With \$59,500,000 Added Over Five Years (Total \$299,000,000)
 Title I Population Weighted As 1.25 State Share = \$624 @ 55%; \$875 @ 50% - Lee Maurer Calculation - 9% Inflation

Factor

Local Unit	Projected Wealth (000)	Enrollment Fall 1982	\$1,499 x Enrollment	\$1,499 Local Share .00574	State Share \$624 @ 50% \$875 @ 50%	To Receive In 1984 Under FY 1979 Formula *	Difference	State Aid Per Pupil
Total State	95,433,225	762,131	1,142,434,369	546,098,185	596,336,184	287,577,569	308,758,615	782
Allegany	900,611	13,128	19,678,872	5,169,507	14,509,365	6,453,147	8,056,218	1,105
Anne Arundel	9,470,211	71,534	107,229,466	54,359,011	52,870,455	25,496,111	27,374,344	739
Baltimore City	8,158,254	131,473	197,078,027	46,828,378	150,249,649	72,889,708	77,359,941	1,143
Baltimore	16,196,523	95,488	143,136,512	92,968,042	50,168,470	25,588,330	24,580,140	525
Calvert	1,913,526	8,616	12,915,384	10,983,639	1,931,745	1,075,382	856,363	224
Caroline	356,188	4,891	7,331,609	2,044,519	5,287,090	2,312,137	2,974,953	1,081
Carroll	2,395,220	21,763	32,622,737	13,748,563	18,874,174	9,011,460	9,862,714	867
Cecil	1,034,071	12,990	19,472,010	5,935,568	13,536,442	6,180,499	7,355,943	1,042
Charles	1,475,867	19,567	29,330,933	8,471,477	20,859,456	9,579,381	11,280,075	1,066
Dorchester	521,429	5,407	8,105,093	2,993,002	5,112,091	2,219,576	2,892,515	945
Frederick	2,711,536	25,095	37,617,405	15,564,217	22,053,188	10,421,948	11,631,240	879
Garrett	531,154	6,263	9,388,237	3,048,824	6,339,413	2,764,009	3,575,404	1,012
Harford	3,147,158	33,496	50,210,504	18,064,687	32,145,817	15,062,529	17,083,288	960
Howard	4,519,080	29,525	44,257,975	25,939,519	18,318,456	9,331,537	8,986,919	620
Kent	387,057	2,843	4,261,657	2,221,707	2,039,950	912,253	1,127,697	718
Montgomery	19,944,022	95,136	142,608,864	114,478,686	28,130,178	16,590,667	11,539,511	296
Prince George's	13,447,057	121,931	182,774,569	77,186,107	105,588,462	49,935,813	55,652,649	866
Queen Anne's	757,323	4,949	7,418,551	4,347,034	3,071,517	1,455,802	1,615,715	621
St. Mary's	1,176,880	12,764	19,133,236	6,755,291	12,377,945	5,536,179	6,841,766	970
Somerset	288,337	3,639	5,754,661	1,655,054	4,099,607	1,702,858	2,396,749	1,068
Talbot	1,020,783	4,066	6,094,934	5,859,294	235,640	148,803	86,837	58
Washington	2,018,129	20,182	30,252,818	11,584,060	18,668,758	8,496,779	10,171,979	925
Wicomico	1,334,145	11,692	17,526,308	7,657,992	9,868,316	4,412,661	5,455,655	844
Worcester	1,728,664	5,493	8,234,007	8,234,007	-	-	-	-

* Includes \$11,248,400 as Baltimore City's Density Aid Figure in FY 1984.

State Aid for Current Expense for FY 1984 at \$1,254 Per Pupil
 (\$624 at 55% State Share and \$630 at 50% State Share)
 7% Inflation

Local Unit	Wealth	Enrollment 9/30/82	Enrollment x \$1,254	Local Share	State Share	To Receive in 1984 Under FY 1979 Formula	Difference	State Aid Per Pupil
Total State	95,433,225	732,899	919,044,060	435,594,891	483,449,169	276,329,169	207,120,000	658
Allegheny	900,611	12,498	15,672,492	4,124,798	11,547,694	6,453,147	5,094,547	924
Anne Arundel	9,470,211	70,028	87,815,112	43,373,566	44,441,546	25,496,111	18,945,435	635
Baltimore City	8,158,254	117,830	147,758,820	37,364,803	110,394,017	61,641,308	48,752,709	937
Baltimore	16,196,523	93,655	117,443,370	74,180,075	43,263,295	25,586,330	17,574,965	462
Calvert	1,913,526	8,242	10,335,468	8,763,949	1,571,519	1,075,382	496,137	191
Caroline	356,188	4,595	5,762,130	1,631,341	4,130,789	2,312,137	1,618,652	899
Carroll	2,395,220	21,426	26,863,204	10,970,108	15,893,096	9,011,460	6,896,636	742
Cecil	1,034,071	12,569	15,761,526	4,736,045	11,025,481	6,180,499	4,844,982	877
Charles	1,475,867	19,038	23,873,652	6,759,471	17,114,181	9,579,361	7,534,800	899
Dorchester	521,429	5,038	6,317,652	2,388,145	3,929,507	2,219,576	1,709,931	780
Frederick	2,711,536	24,575	30,817,050	12,418,835	18,398,215	10,421,945	7,976,267	749
Garrett	531,154	5,861	7,349,694	2,432,605	4,917,089	2,764,009	2,153,006	839
Harford	3,147,158	32,822	41,158,738	14,413,984	26,744,804	15,062,523	11,682,276	815
Howard	4,519,080	29,308	36,752,232	20,697,386	16,054,846	9,331,537	6,723,309	548
Kent	381,057	2,674	3,353,196	1,772,721	1,580,475	912,253	648,222	591
Montgomery	19,944,022	93,704	117,504,816	91,343,621	26,161,195	16,590,667	9,570,528	279
Prince George's	13,447,057	119,338	149,649,852	61,587,521	88,062,331	49,935,813	39,126,518	738
Queen Anne's	757,323	4,755	5,962,770	3,468,539	2,494,231	1,455,802	1,038,429	525
St. Mary's	1,176,880	12,134	15,216,036	5,390,110	9,825,926	5,536,179	4,289,747	810
Somerset	288,337	3,475	4,357,650	1,320,583	3,037,067	1,702,858	1,334,209	874
Talbot	1,020,783	3,781	4,741,374	4,675,186	66,188	148,803	(62,615)	18
Washington	2,018,129	15,363	24,281,202	9,243,031	15,038,171	8,496,779	6,541,392	777
Wicomico	1,334,145	11,055	13,862,970	6,110,384	7,752,586	4,412,661	3,339,925	701
Worcester	1,728,664	5,126	6,420,004	6,428,004	-	-	-	-

Note: Does not include Social Security.

Table C-14 for Current Estimate FY 1974 @ 1.254 Popul
 1974 @ 5% State Share: 50.0 @ 50% State Share: 1971's
 Weighted for Title I Disadvantaged Children (1.000)
 7% Inflation

County	Projected M-11b (1973)	Weighted Enrollment Fall 1973	1.254		Local Share 1973	State Share 50.0 @ 5% 50.0 @ 50%	To Receive In 1984 Under FY 1979 Formula	Difference	State Aid Per Pupil
			x	Enrollment					
Total State	95,433,225	762,131	955,712,274	452,921,930	502,790,344	287,577,569	215,212,775.	658	
Allegany	900,611	13,128	16,462,512	4,286,908	12,175,604	6,453,117	5,722,457	927	
Anne Arundel	9,470,211	71,534	89,703,636	45,078,204	44,625,432	25,496,111	19,129,321	624	
Baltimore City	6,158,254	131,473	164,867,142	38,833,289	126,033,853	72,889,708	53,144,145	959	
Baltimore	16,196,523	95,488	119,761,952	77,095,449	42,646,503	25,568,370	17,078,173	268	
Calvert	1,913,526	8,616	10,204,464	9,100,384	1,696,080	1,075,382	620,698	197	
Caroline	356,188	4,891	6,133,314	1,695,455	4,437,859	2,312,137	2,125,722	907	
Carroll	2,395,220	21,763	27,290,802	11,401,247	15,889,555	9,011,460	6,878,095	730	
Cecil	1,034,071	12,990	16,289,460	4,322,178	11,367,282	6,180,499	5,186,783	875	
Charles	1,475,867	19,567	24,537,018	7,025,127	17,511,891	9,579,381	7,932,510	895	
Dorchester	521,429	5,407	6,780,378	2,482,002	4,298,376	2,219,576	2,078,800	795	
Frederick	2,711,536	25,025	31,460,130	12,906,911	18,562,219	10,421,948	8,140,271	740	
Garrett	531,154	6,263	7,853,602	2,528,293	5,325,509	2,764,009	2,561,506	850	
Harford	3,147,158	33,496	42,003,984	14,980,472	27,023,512	15,062,529	11,960,983	807	
Howard	4,519,080	29,525	37,024,350	21,510,821	15,513,529	9,331,537	6,181,992	525	
Kent	387,057	2,843	3,565,122	1,842,391	1,722,731	912,253	810,478	606	
Montgomery	19,944,022	95,136	119,300,544	94,933,545	24,366,999	16,590,667	7,776,332	256	
Prince George's	13,447,057	121,931	152,901,474	64,007,991	88,893,483	49,935,813	38,957,670	729	
Queen Anne's	757,323	4,949	9,206,046	3,604,857	2,601,189	1,455,802	1,145,387	526	
St. Mary's	1,176,880	12,764	16,006,056	5,601,949	10,404,107	5,536,179	4,867,928	815	
Somerset	288,337	3,839	4,314,106	1,372,484	3,441,622	1,702,858	1,738,764	896	
Talbot	1,020,783	4,066	5,098,764	4,858,927	239,837	148,603	91,034	59	
Washington	2,018,129	20,182	25,308,238	9,606,294	15,701,934	8,496,779	7,205,155	778	
Wicomico	1,334,145	11,692	14,661,768	1,350,530	8,311,238	4,412,661	3,898,577	711	
Worcester	1,728,664	5,493	6,388,222	6,888,222	-	-	-	-	

Source: U.S. Census Bureau, 1970 Census of Baltimore City's Density and Pictorial in 1970.

Table C-14 for Current Estimate FY 1974 @ 1.254 Popul
 1974 @ 5% State Share: 50.0 @ 50% State Share: 1971's
 Weighted for Title I Disadvantaged Children (1.000)
 7% Inflation

FY 1980 Wealth Per Pupil Distributing Current Expense, Social Security Payments and \$25,000,000
Additional

Local Unit	FY 1979 Per Pupil Base	Per Pupil Base Times FY 1980 Enrollment	Pupils X Factor X	Adjusted Back to X Enrollment (.39203786)	Per Pupil Reserve Plus 20% of Difference Between Ad- justed & Base	To be added to Local Fund Pres-ent System	Difference Pupil	State Aid Per Pupil
Total State	367,187,929	359,820,835	567,402,229	506,203,655	389,097,400	364,097,400	25,000,000	490
Allegheny	557	7,908,843	14,263,591	12,725,156	8,872,105	8,077,596	794,509	625
Anne Arundel	463	33,677,231	47,630,806	42,493,467	35,440,478	33,696,090	1,744,388	487
Baltimore City	576	81,376,128	152,629,970	136,167,685	92,334,439	82,816,578	9,517,861	654
Baltimore	382	40,812,116	53,627,975	47,843,797	42,218,452	40,896,247	1,322,205	395
Calvert	392	2,887,472	3,669,255	3,273,498	2,964,677	2,682,966	281,711	402
Caroline	569	2,760,219	5,237,697	4,672,772	3,142,730	2,777,208	365,522	648
Carroll	475	9,421,150	14,491,494	12,928,478	10,122,616	9,524,473	598,143	510
Cecil	537	6,898,839	12,365,327	11,031,634	7,725,398	6,978,344	747,054	601
Charles	533	9,356,282	16,325,571	14,564,736	10,397,973	9,560,494	837,479	592
Dorchester	508	2,802,128	4,346,437	3,877,641	3,017,231	2,836,133	181,098	547
Frederick	467	10,791,903	16,354,401	14,590,457	11,551,614	10,973,848	577,766	500
Garrett	514	2,970,406	5,076,407	4,528,879	3,282,101	3,006,851	275,250	569
Hartford	521	16,996,062	27,596,124	24,619,676	18,520,785	17,177,746	1,343,039	568
Howard	372	9,484,512	13,106,448	11,692,820	9,926,174	9,700,027	226,147	389
Kent	439	1,361,339	1,880,521	1,677,693	1,424,610	1,372,763	51,847	459
Montgomery	274	28,929,468	41,429,532	36,961,047	30,535,784	29,410,062	1,125,722	289
Prince George's	471	62,301,054	90,577,928	80,808,421	66,002,527	63,670,311	2,332,216	499
Queen Anne's	420	2,008,860	2,781,702	2,481,675	2,103,423	1,982,690	120,733	440
St. Mary's	547	6,518,599	11,227,280	10,016,334	7,218,146	6,509,030	709,116	606
Somerset	558	2,141,046	4,010,881	3,578,277	2,428,492	2,147,718	280,774	633
Talbot	242	1,022,692	1,531,726	1,366,518	1,091,457	948,815	142,642	258
Washington	506	10,597,158	16,569,138	14,782,033	11,434,133	10,700,383	733,750	546
Wicomico	489	5,967,756	8,862,301	7,906,436	6,355,492	5,985,254	370,238	521
Worcester	146	829,572	1,809,717	1,614,525	986,563	665,773	320,790	174

FY 1979 Current Expense + FY 1979 Social Security = FY 1979 Enrollment

FY 1980 Wealth Per Pupil Distributing Current Expense, Social Security Payments and \$25,000,000 Additional

Local Unit	Wealth		Wealth Per Pupil		Pupils		Factor
Total State	57,942,075		72,922		794,575		
Allegany	656,610		46,243		14,199		1.577
Anne Arundel	5,158,785		70,924		72,737		1.028
Baltimore City	6,074,927		43,000		141,278		1.696
Baltimore	9,891,547		92,585		106,838		.762
Calvert	686,515		93,201		7,366		.782
Caroline	202,687		43,019		4,851		1.695
Carroll	1,261,307		63,593		19,834		1.147
Cecil	619,330		48,247		12,847		1.511
Charles	876,597		49,937		17,554		1.460
Dorchester	325,294		58,973		5,516		1.237
Frederick	1,516,292		65,615		23,109		1.111
Garrett	305,491		52,862		5,779		1.379
Harford	1,790,662		54,891		32,622		1.328
Howard	2,302,662		90,315		25,496		.807
Kent	237,041		76,634		3,101		.952
Montgomery	12,495,126		118,347		105,582		.616
Prince George's	8,975,446		67,843		132,274		1.075
Queen Anne's	381,872		79,839		4,783		.913
St. Mary's	587,466		49,296		11,917		1.479
Somerset	170,480		44,431		3,837		1.641
Talbot	541,771		128,139		4,226		.569
Washington	1,229,466		58,705		20,963		1.242
Wicomico	780,507		63,960		12,204		1.140
Worcester	869,435		145,800		5,682		.500

FY 1984 Wealth Per Pupil Distribution the Projected Current Expense, Social Security Payments and \$125,000,000
Additional

Local Unit	Local Wealth	Wealth Per Pupil	Pupils	Factors	Initial Distribution	Adjusted by Correct Amount	Would Have Received Anyway	Difference	State Aid Per Pupil
Total State	95,433,225	130,215	732,890		564,047,448	487,298,802	362,298,802	125,000,000	665
Allegheny	900,611	72,060	12,496	1.81	15,043,218	12,996,322	7,858,946	5,137,376	1,040
Anne Arundel	9,470,211	135,235	70,023	.96	44,705,875	38,622,849	33,377,867	5,244,982	552
Baltimore City	8,156,254	69,237	117,830	1.88	147,311,066	127,266,785	75,520,981	51,745,804	1,080
Baltimore	16,196,523	172,938	93,655	.75	46,710,431	40,354,650	37,911,692	2,442,958	431
Calvert	1,913,526	232,168	8,242	.56	3,069,321	2,651,686	1,956,635	695,051	322
Caroline	356,188	77,516	4,595	1.68	5,133,534	4,435,026	2,758,928	1,676,098	965
Carr 1	2,395,220	111,790	21,426	1.16	16,528,016	14,279,087	10,953,033	3,326,054	666
Cecil	1,034,071	82,272	12,569	1.58	13,206,248	11,409,304	7,275,839	4,133,465	908
Charles	1,475,867	17,522	19,038	1.68	21,269,254	18,375,195	11,465,338	6,909,857	965
Dorchester	521,429	103,499	5,038	1.26	4,221,340	3,646,952	2,785,110	861,842	724
Frederick	2,711,536	110,337	24,575	1.18	19,284,003	16,660,073	12,767,374	3,892,699	678
Garrett	531,154	90,625	5,861	1.44	5,612,494	4,848,815	3,248,569	1,600,246	827
Harford	3,147,158	95,886	32,822	1.36	29,684,217	25,645,153	18,478,207	7,166,946	781
Howard	4,519,080	154,193	29,308	.84	16,371,449	14,143,823	12,614,343	1,529,480	483
Kent	337,057	144,148	2,674	.90	1,600,389	1,382,628	1,230,932	151,696	517
Montgomery	19,944,022	212,844	93,704	.62	38,634,159	33,377,297	29,795,036	3,582,261	356
Prince George's	13,447,057	112,690	119,358	1.15	92,057,333	79,531,302	64,251,363	15,279,939	666
Queen Anne's	757,323	159,269	4,755	.82	2,592,902	2,240,092	1,919,039	321,053	471
St. Mary's	1,176,880	96,390	12,134	1.34	10,812,607	9,341,360	6,721,718	2,619,642	770
Tennet	268,337	62,975	3,475	1.57	3,628,074	3,134,410	2,007,865	1,126,545	902
Waldorf	1,060,783	269,977	3,781	.43	1,206,895	1,042,676	617,541	425,135	276
Washington	2,018,129	104,226	19,363	1.25	16,095,194	13,905,417	10,538,034	3,367,383	718
Wicomico	1,334,145	120,682	11,055	1.08	7,939,701	6,859,364	5,619,193	1,240,171	620
Worcester	1,728,664	337,234	5,126	.32	1,329,428	1,118,536	625,219	523,317	224

FY 1980 Wealth Per Pupil Formula Distributing the Projected Current Expense Payments With \$25,000,000 Added

Local Unit	FY 1979 Per Pupil Base*	Per Pupil Base Times FY 1980 Enrollment	Pupils x Factor x \$534	Adjusted Back to \$534 x Enrollment	Per Pupil Bases		Difference	State Aid Per Pupil
					Plus 20% of Difference Between Adjusted and Base	% Receive Under Present System		
Total State	305,185,642	298,998,433	475,655,374	424,535,095	324,105,613	209,105,813	25,000,000	408
Allegheny	484	6,872,315	11,957,233	10,672,136	7,632,280	6,937,867	658,393	538
Anne Arundel	396	28,367,450	39,923,122	35,637,768	29,821,408	28,005,717	1,615,761	410
Baltimore City	500	70,639,000	127,950,399	114,199,020	70,351,004	71,359,623	7,591,370	562
Baltimore	297	31,730,886	44,956,576	40,124,909	33,409,669	31,184,568	2,225,121	313
Calvert	322	2,371,952	3,075,953	2,745,367	2,446,553	2,132,525	316,030	332
Caroline	505	2,454,606	4,390,786	3,916,889	2,747,463	2,449,826	297,627	566
Carroll	416	8,250,244	12,148,265	10,842,657	8,769,287	8,201,849	567,447	447
Cecil	480	6,166,560	10,365,910	9,251,841	5,763,616	6,199,161	584,455	528
Charles	468	8,215,272	13,685,801	12,214,929	9,015,203	8,342,893	672,310	514
Dorchester	436	2,484,976	3,643,638	3,252,041	2,574,389	2,407,736	167,113	467
Frederick	404	9,336,036	13,709,064	12,236,509	9,956,129	9,425,154	490,975	429
Gary	401	2,664,119	4,255,575	3,796,210	2,550,527	2,672,592	217,038	500
Hartford	453	14,777,766	23,133,957	20,647,651	15,951,743	14,809,333	1,142,410	489
Hawaii	298	7,597,808	10,987,195	9,806,354	8,039,517	7,690,795	348,724	302
Mont	305	1,131,865	1,516,449	1,497,022	1,166,276	1,117,831	69,062	383
Montgomery	185	15,321,506	34,730,555	30,997,922	21,656,422	19,121,907	2,535,192	205
Prince George's	393	51,903,682	75,771,690	67,771,164	55,451,176	52,552,522	2,898,656	417
Queen Anne's	350	1,702,748	2,331,513	2,081,292	1,776,497	1,639,379	136,837	372
St. Mary's	433	5,755,911	9,411,889	8,400,345	6,284,736	5,697,626	586,177	527
Somerset	501	1,722,337	3,267,310	3,003,975	2,136,005	1,914,467	221,569	557
Talbot	162	684,612	1,284,053	1,146,050	776,900	586,435	190,575	184
Washington	437	9,152,091	13,880,981	12,397,168	9,801,104	9,164,564	637,140	468
Wicomico	419	5,113,476	7,439,307	6,636,647	5,416,050	5,004,322	352,629	444
York	67	380,691	1,517,094	1,393,045	575,367	486,302	339,055	101

* FY 1979 Current Expense - FY 1979 Social Security) = FY 1979 Enrollment

* FY 1979 Current Expense + FY 1979 Social Security = FY 1979 Enrollment

FY 1984 Wealth Per Pupil Formula Distributing Projected Current Expense Payments With \$125,000,000 Added

EXHIBIT C-XVI-2

	Local		Wealth		Factors	Initial Distribution	Adjusted Back To		To Receive Under Present System		Reference	State Aid Per Pupil
	Local	Health	Per Pupil	Pupils			Enrollment	\$548 x Enrollment				
Total State	95,435,225		130,215	732,690		464,609,021	401,329,169	276,339,169		125,000,000	546	
Allegany	900,611		72,060	12,496	1.81	12,396,515	10,703,590	6,453,147		4,250,353	656	
Anne Arundel	9,470,211		135,235	70,022	.96	36,840,330	31,006,976	25,496,111		6,312,865	454	
Baltimore City	8,158,254		69,237	117,830	1.88	121,393,179	104,614,460	61,641,308		43,172,972	890	
Baltimore	16,196,523		172,938	93,655	.75	38,492,205	33,235,250	25,588,330		7,646,920	355	
Calvert	1,913,526		232,168	8,242	.56	2,529,305	2,183,673	1,075,362		1,108,491	265	
Caroline	356,188		77,516	4,595	1.68	4,230,341	3,652,595	2,342,137		1,340,456	795	
Carr 1	2,395,220		111,790	21,426	1.16	13,629,080	11,759,960	9,011,460		2,748,500	549	
Cecil	1,034,071		82,272	12,569	1.53	10,862,743	9,306,466	6,180,499		3,215,967	743	
Charles	1,475,867		17,522	19,038	1.68	17,527,144	15,133,429	9,579,361		5,554,048	795	
Dorchester	521,429		103,499	5,036	1.26	3,478,635	3,003,544	2,219,516		783,978	236	
Frederick	2,711,536		110,337	24,575	1.28	15,691,176	13,720,690	10,421,048		3,298,942	558	
Garnett	531,154		90,625	5,861	1.44	4,625,030	3,993,301	2,764,009		1,229,374	661	
Harford	3,147,158		95,886	32,822	1.36	24,461,580	21,120,615	15,062,529		6,058,286	643	
Howard	4,519,080		154,193	29,308	.84	13,491,059	11,648,599	9,331,537		2,317,022	397	
Kent	307,057		144,148	2,674	.90	1,218,217	1,130,704	912,253		226,451	426	
Montgomery	19,244,022		212,841	93,704	.63	31,836,871	27,176,849	16,590,667		10,695,182	293	
Prince George's	13,447,057		112,699	119,338	1.15	75,860,780	55,506,329	49,935,813		15,564,516	549	
Queen Anne's	757,323		159,269	4,755	.82	2,136,707	1,844,893	1,455,802		389,091	338	
St. Mary's	1,176,380		96,990	12,134	1.34	3,910,239	7,693,350	5,536,179		2,157,171	634	
Solomons	288,337		62,975	3,475	1.57	2,469,751	2,581,435	1,702,858		674,577	743	
Talbot	1,020,783		269,977	3,761	.48	994,534	898,796	448,603		709,923	227	
Washington	2,018,129		104,226	19,363	1.25	13,663,655	11,462,212	8,466,779		2,955,433	549	
Worcester	1,334,145		120,682	11,055	1.08	6,512,791	5,649,430	4,412,601		1,236,569	541	
York	1,728,664		337,231	5,126	.72	1,092,529	942,011			945,211	245	

Minutes of the Meeting
of the
Governor's Commission on Funding of Public Education

House Ways and Means Committee Room
110 Lowe House Office Building
November 17, 1978 - 9:30 A.M.

Members Present: Dr. Edward J. Anderson
Mr. James A. Braswell
Senator James Clark, Jr. (represented by
Mr. Fred Schoenbrodt)
Dr. John L. Crew, Sr.
Hon. Wayne B. Hamilton
Dr. David W. Hornbeck
Mr. Joseph N. McGowan
Delegate Lucille Maurer
Mrs. Sue Mills
Delegate George A. Price
Dr. A. A. Roberty
Mr. James B. Rowland
Richard Schifter, Esquire
Hon. Thomas W. Schmidt
Hon. Ann C. Stockett
Hon. Raymond T. Tilghman
Senator Verda F. Welcome
Senator E. Homer White, Jr.
Delegate Benjamin L. Cardin, Vice-Chairman
Dr. R. Kenneth Barnes, Chairman

Members Absent: Mr. Richard N. Dixon

The chairman called the meeting to order at 9:45 A.M., and announced that the morning session would be devoted to testimony from individuals and organizations regarding the funding of public education.

Mr. Michael Morton, Executive Director of the Maryland Advisory Council for Vocational-Technical Education, urged State categorical funding support for students enrolled in vocational-technical education programs. He proposed a State matching grant or State grant at 50% of Federal funds allocated for vocational-technical education. While the Council feels a weighted pupil formula offers a preferable and more sophisticated approach to funding vocational education, they recommended categorical aid as a more feasible alternative at this time.

FY 1984 Current Expense and \$181,000,000 Additive with 3% Enrollment Decline 11/28/78

FY 1984 Distribution of State Aid Under Recommended Formula

EXHIBIT C-XVII-2

Local Unit	FY 1984		Projected Wealth (000)	Enrollment x \$1,212	Local Share .00419	State Share \$624 @ 55% \$588 @ 50%	To		Difference	State Aid Per Pupil
	Estimated Enrollment (3% Decline)						Receive Under Present System			
Total State	695,495	95,433,225	842,939,940	398,713,690	444,226,250	261,824,984	182,401,266	637		
Allegany	12,518	900,611	15,171,816	3,773,560	11,398,256	6,575,021	4,823,235	911		
Anne Arundel	66,503	9,470,211	80,601,636	39,680,184	40,921,452	24,200,287	16,721,165	615		
Baltimore City	114,750	8,158,254	139,077,000	34,183,084	104,893,916	60,495,098	44,398,818	914		
Baltimore	87,575	16,196,523	106,140,900	67,863,431	38,277,469	23,336,712	14,940,757	437		
Calvert	9,064	1,913,526	10,985,568	8,017,674	2,967,894	1,872,185	1,095,709	327		
Caroline	4,072	356,189	4,935,264	1,492,428	3,442,836	1,994,009	1,448,827	845		
Carroll	20,509	2,395,220	24,856,908	10,035,972	14,820,936	8,666,156	6,154,780	723		
Cecil	12,746	1,034,071	15,448,152	4,332,757	11,115,395	6,426,717	4,688,678	872		
Charles	18,036	1,475,867	21,859,632	6,183,883	15,675,749	9,065,105	6,610,644	869		
Dorchester	4,459	521,429	5,404,308	2,184,788	3,219,520	1,882,638	1,336,882	722		
Frederick	24,225	2,711,536	29,360,700	11,361,336	17,999,364	10,505,833	7,493,531	743		
Garrett	5,012	531,154	6,074,544	2,225,535	3,849,009	2,241,937	1,607,072	768		
Harford	27,957	3,147,158	33,883,884	13,186,592	20,697,292	12,083,338	8,613,954	740		
Howard	25,981	4,519,080	31,488,972	18,934,945	12,554,027	7,578,197	4,975,830	483		
Kent	2,713	387,057	3,288,156	1,621,769	1,666,387	985,609	680,778	614		
Montgomery	92,364	19,944,022	111,945,168	83,565,452	28,379,716	18,059,350	10,320,366	307		
Prince George's	110,627	13,447,057	134,079,924	56,343,169	77,736,755	45,538,869	32,197,886	703		
Queen Anne's	4,458	757,323	5,403,096	3,173,183	2,229,913	1,341,750	888,163	500		
St. Mary's	12,318	1,176,880	14,929,416	4,931,127	9,998,289	5,804,365	4,193,924	812		
Somerset	3,195	288,337	3,872,340	1,208,132	2,664,208	1,544,258	1,119,950	834		
Talbot	3,507	1,020,783	4,250,484	4,250,484	-	82,237	(82,237)	-		
Washington	18,006	2,018,129	21,823,272	8,455,961	13,367,311	7,802,625	5,564,686	742		
Wicomico	9,852	1,334,145	11,940,624	5,590,068	6,350,556	3,742,688	2,607,868	645		
Worcester	5,048	1,728,664	6,118,176	6,118,176	-	-	-	-		

Current Expense FY 1980 Based on Latest Estimated Enrollment (3% Decline) and
\$36,250,000 Additional

FY 1980 Distribution of State Aid Under Recommended Formula

Local Unit	9/30/78 Estimated Enrollment (3% Decline)	Projected Wealth (000)	Enrollment x \$782	Local Share .00488	State Share \$624 @ 55% \$158 @ 50%	State Share Current Expense \$690 Program	Difference	State Aid Per Pupil
Total State	785,617.54	57,942,078	614,352,918	282,757,339	331,595,579	295,822,267	35,773,312	422
Allegany	14,191.00	656,610	11,097,362	3,204,257	7,893,105	7,001,198	891,907	556
Anne Arundel	71,925.25	5,158,789	56,245,546	25,174,890	31,070,656	27,703,569	3,367,087	432
Baltimore City	140,406.75	6,074,927	109,798,079	29,645,644	80,152,435	71,062,218	9,090,217	571
Baltimore	105,318.53	9,891,547	82,359,090	48,270,749	34,088,341	30,630,711	3,457,630	324
Calvert	7,501.00	686,515	5,865,782	3,350,193	2,515,589	2,258,001	257,588	335
Caroline	4,731.00	208,687	3,699,642	1,018,393	2,681,249	2,377,470	303,779	567
Carroll	19,643.62	1,261,307	15,361,311	6,155,178	9,206,133	8,193,543	1,012,590	469
Cecil	12,871.00	619,830	10,065,122	3,024,770	7,040,352	6,246,712	793,640	547
Charles	17,350.00	876,597	13,567,700	4,277,793	9,289,907	8,245,963	1,043,944	535
Dorchester	5,378.00	325,294	4,205,596	1,587,435	2,618,161	2,328,320	289,841	487
Frederick	23,022.00	1,516,292	18,003,204	7,399,505	10,603,699	9,440,939	1,162,760	461
Garrett	5,595.75	305,491	4,375,877	1,490,796	2,885,081	2,562,731	322,350	516
Harford	31,563.64	1,790,662	24,682,766	8,738,431	15,944,335	14,168,597	1,775,738	505
Howard	24,866.25	2,302,662	19,445,408	11,236,991	8,208,417	7,371,398	837,019	330
Kent	3,107.00	237,641	2,429,674	1,159,688	1,269,986	1,133,856	136,130	409
Montgomery	105,185.00	12,495,324	82,254,670	60,977,181	21,277,489	19,472,523	1,804,966	202
Prince George's	130,169.00	8,973,846	101,792,158	43,792,368	57,999,790	51,677,764	6,322,026	446
Queen Anne's	4,717.00	381,872	3,688,694	1,863,535	1,825,159	1,631,774	193,385	387
St. Mary's	11,949.00	587,466	9,344,118	2,866,834	6,477,284	5,748,079	729,205	542
Somerset	3,769.50	170,480	2,947,749	831,942	2,115,807	1,876,415	239,392	561
Talbot	4,159.00	541,771	3,252,338	2,643,842	608,496	567,183	41,313	146
Washington	20,622.50	1,229,466	16,126,795	5,999,794	10,127,001	9,004,294	1,122,707	491
Wicomico	11,916.00	780,567	9,318,312	3,809,167	5,509,145	4,904,630	604,515	462
Worcester	5,659.75	868,435	4,425,925	4,237,963	187,962	214,379	(26,417)	33

Mr. Mark Joseph, President of the Baltimore City Board of Education, pointed out that the Constitution and State court rulings provide for a thorough and efficient system of education. He noted the deficiency of the property tax as a source of financing education and discussed the problem of municipal overburden. Poor children, in his opinion, should be favored, not penalized, by disparities in spending. Noting the need for a State program of compensatory education, Mr. Joseph reported that limited funds allow Baltimore City to accommodate the needs of only one-half the Title-I eligible children.

In subsequent discussion, Delegate Maurer questioned discrepancies in the dollar's purchasing power for equivalent programs in various districts. She asked, also, that Mr. Joseph make available to commission members the HEW report, which he said reported Maryland near the bottom among states in providing support of public education.

Dr. Barnes and Delegate Cardin questioned the effect of declining enrollments on pupil/teacher and pupil/administrator ratios and were told that there had been some reduction in administration and minimal improvement in pupil/teacher ratios in the City.

Delegate Maurer asked whether it would help to count declining students as one-half in computing aid.

When Ms. Stockett asked whether the City favors full State assumption of educational cost, she was answered affirmatively.

In response to a question regarding the cost of a compensatory aid program, Mr. Ricker noted that it would cost approximately \$13 million to weight at 1.25 the Title-I eligible children.

Delegate Maurer made the distinction between eliminating disparity and providing a foundation program. If the basic program is funded adequately, she feels that concern about disparity is diminished. Mr. Schifter asked the amount of disparity among subdivisions in the New Jersey case.

Testifying on behalf of the Baltimore City Administration, Ms. Janet Hoffman introduced a one-year funding recommendation. She said that a new plan should consider a three-year phasing-in of public utility property in the wealth definition, use of Statewide average expenses per pupil rather than medians, new projections by the Board of Revenue Estimates, problems of declining enrollments, and campaign promises of the Governor-elect to increase State aid. She opposes the shift of social security and transportation to the local subdivisions and recommends a single year plan to be followed

by further study of the variety of issues defined by this Commission. The specific proposal would add \$50 million in FY'80 over the current \$305,000,000 appropriation. A per pupil expenditure of \$855 would be shared as follows: \$624 shared at 55% State/45% local; \$231 shared at 45% State/55% local.

Mr. Tilghman pointed out that the 102.2 staff per 1000 pupils in Baltimore City is the highest in the State, and noted that the City's exclusion of Federal aid from their calculation of resources gives a somewhat misleading representation of their situation.

Delegate Maurer expressed interest in seeing a calculation of the counties' tax base with the State's rollback in assessments taken into account.

Mr. Pete Treibley, President of the Maryland State Teachers' Association, based his testimony on two major premises: (1) the State should decrease reliance on property tax as a primary source of local resources, and (2) new taxing authorities for local government are unlikely. He argued in favor of four points: (1) current expenses per pupil should be at least at the Statewide median; (2) inflation, enrollment, specialized needs and cost differentials should be factored into a formula; (3) categorical programs should be maintained; (4) density aid should be replaced with a Statewide compensatory education program.

Speaking for the League of Women Voters, Ms. Margo Garner urged consideration of a review of local tax bases to detail and analyze differences in rate and yield, revision in density aid to provide broader compensatory aid, and a foundation program high enough to eliminate inequities. She supported sharper equalization of State aid, inclusion of social security and retirement employer costs in a foundation program, consideration of a weighted pupil approach, and State/local sharing at 50%/50% of a foundation program at least 64% of average per pupil expenditure.

Citing problems in small business management, Ms. Maxine Melinda of the Community Economic Development Association (CEDA) asked the commission to support funding of programs to train those interested in small business management.

Ms. Judith Heimann, speaking for the Montgomery County Public Schools, asked that the commission consider what percentage of the State's budget should be devoted to public education and what those dollars should buy. She supported the inclusion of public utility shares in the wealth calculation and suggested consideration of variations in purchasing power among the counties. The effect of special populations on costs should be assessed, and density aid should be applied

by legislative district rather than by county, according to Ms. Heimann's testimony. She urged exclusion of transportation and social security costs from the foundation program.

Ms. Ann Prange, representing the Maryland Congress of Parents and Teachers (PTA), supported increasing the State's contribution to education, equalizing that aid, and revising the graduated income tax. She asked for a basic program funded high enough to eliminate inequities, a program of compensatory aid, and a recognition of issues of educational and municipal overburden.

Ms. Susan Buswell, speaking as President of the Maryland Association of Boards of Education (MABE), recommended a continuation of the concepts of the Lee/Maurer formula as an approach to equalization. She asked that categorical programs be excluded from a basic program and reminded the commission of a need to consider the effects of declining enrollments on costs. Summarizing the State's responsibilities, Ms. Buswell said it should (1) help support a foundation program at a realistic level and with a reliable inflation factor, (2) assist children who are educationally deprived because of the economic condition of their families, (3) provide for programs mandated by law outside the equalized formula, and (4) continue State support of social security.

Relaying the concerns of the Prince George's County Board of Education, Ms. Judy Sheehan urged exclusion of transportation and employer costs for social security and retirement from the basic program. She saw a need for compensatory aid for all subdivisions and for consideration of costs associated with certain programs for handicapped children.

Following the public testimony, Mr. Ricker was called on to present two proposals for a compensatory aid program. The first of these uses the current level of funding for density aid, \$13,510,400, and directs two-thirds of that sum to Baltimore City as a grant, while equalizing the distribution of the remaining one-third to disadvantaged children across the State. A second proposal sets compensatory aid at \$17,005,900. Under this provision, Baltimore City would be "held harmless" at its current level of density aid support. This would be accomplished by directing a grant of \$9,006,933 to the City and equalizing the distribution of the remaining funds to the Title-I eligible children across the State. Equalization under both proposals would be accomplished through use of a wealth factor computed on relative county wealth per pupil.

The meeting of the commission was suspended for lunch at 12:30 P.M., and reconvened at 1:30 P.M.

Discussion was solicited by the chairman regarding the relative merits of a one-year proposal followed by further study and a long-range funding program. Secretary Schmidt spoke in favor of a one-year proposal and said further study is necessary to determine program standards, needs measures, and the position of the Governor-elect.

Delegate Cardin expressed the opinion that the commission should define this year a basic program of education and the cost in the law. He would disagree with a one-year \$50 million program, because the proposal has no basis in need.

Agreeing with Delegate Cardin, Dr. Anderson said that the future demands definition of that portion of an educational program which the State should require and fund.

Secretary Schmidt, while not disagreeing with the concept of defining a basic program of education, cited the urgency of getting a specific proposal in time for the FY'80 budget. He expressed concern that extended deliberations about program may preclude action on a proposal.

Delegate Cardin noted that the issues of level of funding and program definition are distinct. While the amount of financial support by the State will be a gubernatorial policy decision, questions of needs, equalization and program can be considered aside from the budget allocation. He pointed out that he felt the commission should seek the Governor-elect's views regarding available resources.

Dr. Barnes summarized the two approaches considered by the commission as follows: (1) use the Lee-Maurer formula, and expand either with increased amount per pupil or variation in level of support, (2) use a wealth per pupil approach, which has the advantage of allowing all subdivisions to gain somewhat.

Delegate Maurer expressed the thought that developing a basic program of State support may involve re-examining the problem of the State's mandating of local programs. She noted that looking at minimum salaries and other concepts which have been removed from the budgeting formula may be very time consuming. She pointed out that using a wealth per pupil approach allows the option of folding in social security. Regarding compensatory aid, Delegate Maurer suggested that the commission needs to know not only how much to put into the budget, but also what future needs may be. Therefore, she sees some advantage in increasing the second tier of the Lee-Maurer formula temporarily while spending additional time defining a compensatory program.

Dr. Hornbeck expressed misgivings about the ability to define precisely a basic program of education. In his opinion, Maryland is doing an adequate job aside from serving the needs of poor children and other special populations. He thinks defining a basic program by using the \$1500+ State-wide median per pupil expenditure is a reasonable approach in view of the myriad problems associated with a critical program review. He suggested that the commission examine material already before it with an eye toward

- (1) defining the average cost of educating the "regular" child,
- (2) defining a realistic inflation factor,
- (3) looking at the need for program improvements,
- (4) equalizing State aid more sharply,
- (5) determining a dollar figure for compensatory aid, and
- (6) looking at the apparent importance of early childhood education.

Dr. Crew requested that the commission look again at the proposal made previously by the City of Baltimore. He noted that it would accommodate the concerns expressed by Dr. Hornbeck and that, even with an adjusted first-year dollar figure, the principle deserves adoption.

Ms. Stockett expressed the view that the commission should take a funding recommendation to the Governor-elect rather than solicit an available amount from him.

Expressing reservation with an add-on to this year's formula, Mr. Hamilton called attention to the already broad disparity among counties. Agreeing with the principle of using the Statewide median per pupil expenditure to define a basic program, he proposed the folding in of social security.

Delegate Maurer agreed with the concept of adding social security, but only if the current formula is changed. She would support a recommendation that the commission be extended, since she finds the membership inadequately prepared to offer the necessary long-term change in formula at this time.

Commissioner Tilghman moved that the commission recommend the adoption of the formula labeled XI-1 and XI-2 in the packet distributed by the project staff. This would provide

a \$100 million increase in State aid over a five-year period, folding in social security and using a wealth per pupil calculation.

In response to Mr. Braswell's question regarding provisions for State support of social security costs in this formula, Mr. Ricker stated that actual and federally listed future contribution levels were figured with annual salary inflation costs computed at 7%. Dr. Barnes suggested that folding in social security under these circumstances provides some protection to local governments in that the lack of a legal mandate for the State's payment of local employer costs always leaves open the possibility of the General Assembly's or the Governor's discontinuing funding these costs in any future year.

Delegate Cardin said that the amount to be equalized under the proposals on the floor for consideration is too small. While the program equalized in 1984 would be \$1262, actual costs would approach \$1600 per pupil. Furthermore, he suggested that the addition of social security costs raises the per pupil expenditure to about \$1800. In his opinion, an adjusted Lee-Maurer formula is preferable for accomplishing the necessary equalization of State aid.

On the matter of minimum guarantees, Delegate Maurer expressed strong opposition to their inclusion in any future funding formula. She said that an extension of the Lee-Maurer formula would again bring up the question of minimum guarantees.

Delegate Cardin expressed concern about variations in required local tax effort to produce revenues to fund proposal X-2.

Dr. Roberty stated that the effect of declining enrollments in a wealth per pupil approach would be particularly damaging in that wealth would appear to increase, raising required local per pupil contributions, at the same time that State aid declined on the basis of pupil count. Mr. Ricker replied that the current formula makes use of that same information with somewhat similar results.

Dr. Roberty expressed the opinion that further study of the wealth per pupil approach would be necessary. He suggested that salary and staffing ratios are the crux of the disparity among subdivisions and pointed out a lack of attention to these items. Furthermore, he noted that Harford County has imposed caps on both budget and revenue growth, a fact which could make State-mandated budget increments difficult to manage.

Dr. Hornbeck moved to table until the next meeting the motion on the floor regarding the adoption of proposal XI. He asked that the staff prepare for the next meeting a proposal which would do the following:

- (1) Use the Statewide median expenditure per pupil for "regular" children;
- (2) apply a 9% annual inflation rate;
- (3) add sufficient dollars to bring State support to a 50% level of projected median per pupil expenditure;
- (4) exclude (a) transportation, and (b) employer costs for social security and retirement;
- (5) apply a weighting factor of 1.25 to Title I-eligible children in schools having at least 10% concentration of disadvantaged;
- (6) fund the first \$624 at 55% State/45% local and the remaining portion at 45% State/55% local;
- (7) fund a grant for an extended elementary program to provide preschool programs for 4-year old children who live in school districts where accountability data show the reading achievement of third graders to be six months or more below national norms. According to data on hand, 106 schools would meet this qualification.

Motion to table the motion of Mr. Tilghman carried with twelve affirmative votes.

Mr. Tilghman requested that charts displaying formula recommendations include a ranking of local wealth and a ranking of State aid.

The next meeting of the commission was scheduled for 1:30 P.M. on December 7, 1978 in the House Ways and Means Committee Room, House of Delegates Building, Annapolis, Maryland.

There being no further business, the meeting was adjourned at 4:00 P.M.

Respectfully submitted,

Joyce B. Tuchmann
Secretary

THE PROPOSAL

This Proposal is for a Foundation Program with the following characteristics:

- 1) A Foundation Program level of 75% of the average per pupil expenditure projected through FY'84 at an annual inflation rate of 9% per pupil.
- 2) State share of 50%, local share of 50%.
- 3) Enrollment weights of 1.00 for K-12, 0.50 for 4 year olds, evening students 0.25 per course, 0.05 for Adult Education students, and 0.25 additional weight for low income students enrolled.
- 4) Grants of \$50 per pupil to LEAs that have:
 - a. higher than average non-mandatory effort for current expenses
 - b. below average amounts per pupil from non-Federal funds
 - c. higher than average local tax effort for all government purposes

The Proposal for the FY'80 Foundation Program is given on Table D. The Program level of \$1,200 corresponds to 75% of the average per pupil current expenditures, from State and local non-categorical funds, projected for FY'80. This figure is established by taking 75% of the average figure for 1976-'77 of \$1,267, and increasing it yearly by 9%¹, which is 1% less than the 10% that was the average yearly rate of increase from FY'75 to FY'78.

The enrollment for the FY'80 Program is as estimated by MSDE in their report to the Commission on July 11, 1978 (Table C, Column 1). This projection was based on an average of the actual enrollment trends in each LEA from the fall of 1973 through the fall of 1977, and showed a statewide decline of 2%. It was weighted as for the present Lee-Maurer program, with 1.0 each for those in grades 1-12, 0.5 for kindergarten, and 0.25 per course taken for evening students up to age 21. This proposal adjusts this weighting by increasing the weight for Kindergartners to 1.0 when they attend a full day program. Four year olds would be given the weight of one-half when they attend a half day or longer program. Students from poor families would be given an additional 25% weight.² This would provide an additional \$300 per student for Compensatory Education. This funding level would

supplement Density Aid for Baltimore City, and would allow additional services for children throughout the State who are not served by Title I Programs because they are not in "targeted" schools. Adult Education registrants are weighted 5%. This would provide a program of \$60 per student, for those working toward High School Diploma or Equivalency.

The wealth for the FY'80 local share calculations is from the MSDE report to the Commission on July 21, 1978. This projection was based on an annual average of the growth trend in each LEA over the past few years. The State average annual growth rate is projected to be 13%.

The State and local shares in the Proposal program are each 50%. This provides slightly greater equalization, i.e., a greater proportion of the State money for the poorer counties than is the case in the Lee-Maurer Program of 55% State share, 45% local share.

The FY'80 Proposal as calculated on Table D calls for State funds of \$534.1 million. Grants to the 3 subdivisions showing high tax effort, low revenues, and high spending for other government purposes would also be added. A figure of \$50 per pupil, or \$8,386,850 is proposed. Fifty Dollars multiplied by basic enrollment (Table C, Column 1) results in \$275,800 for Dorchester, \$1,047,150 for Washington, and \$7,063,900 for Baltimore City. The FY'80 Proposal thus totals about \$542.5 million State share for FY'80.

For FY'81 through FY'84, the Foundation level would be increased 9% per year to \$1,694 per pupil. Calculation of the FY'84 Foundation Program is shown on Table E. The enrollment estimate for FY'84, is as presented by MSDE to the Commission on July 21, 1978, and then weighted. The total State share is \$695.9 million.

If the Proposal is implemented fully beginning in FY'80, \$542.5 million would be required the first year, which is \$237.3 million more than the \$305.2 State share in FY'79.

A more gradual way of implementing this Proposal would be to phase it in over the 5 year period between FY'80 and FY'84. The resulting State shares are shown

on Table F. Starting as a base with the amount each LEA would get for FY'80 if the present law remained in force, each LEA would get 20% each year of the difference between the base and the FY'84 program. The State share would increase \$79.4 million each year, from \$378.3 million in FY'80 to \$695.9 million in FY'84. To this would be added each year the \$8.4 million for the 3 LEAs showing great tax effort and burden, assuming that they would continue to qualify. Thus the final State share would be \$704.3 million, an increase of \$399.1 million over the \$305.2 million State share of FY'79.

The additional \$399.1 million for the State is a lot of money. But, as we have shown, adequate education costs a lot of money. By the State assuming a greater share of the load, greater equity is provided, and pressure is lessened on the local property tax, which is the only tax a local government can raise to meet its budget. The State can move toward fulfilling its Constitutional responsibility for public education, by accepting this Proposal.

¹75% of the average per pupil cost of \$1,267 for FY'77 is \$950. This is projected at an increase of 9% per pupil per year, to \$1,036 for FY'78, and to \$1,129 for FY'79. Then to project for a FY'80 Foundation program, the increase is only 6% because the Foundation program uses the previous year's enrollment, 9/30/78. So \$1,129 is increased by 6% to \$1,197, and then rounded out for a \$1,200 per pupil Foundation program for FY'80.

²Illinois gives 0.45 and Indiana gives 0.2 additional weight to Title I eligible children; Missouri gives 0.25 and Minnesota gives 0.5 to 1.1 (depending on concentration) additional weight to AFDC children. A weighting of 0.5 additional is recommended in the book, The High Cost of Education in Cities, by Betsy Levin, 1973, published by the Urban Institute.

TABLE A

LOCAL SUBDIVISIONS, 1976-77 IN RANK ORDER ACCORDING TO:

CURRENT EXPENSES PER PUPIL¹

<u>RANK</u>	<u>TOTAL STATE:</u>	<u>\$1,267.52</u>
1	Montgomery	\$1,728.07
2	Baltimore	1,469.15
3	Howard	1,392.60
4	Prince George's	1,311.11
5	Calvert	1,282.04
6	Worcester	1,281.45
7	Talbot	1,267.52 - Average pupil
8	Allegany	1,194.21 - Median Pupil (50th percentile)
9	Kent	1,169.60
10	Dorchester	1,148.58
11	Washington	1,142.91 - Average of LEAs
12	Anne Arundel	1,126.11
13	Harford	1,093.74
14	Charles	1,090.08 - Median LEA
15	Baltimore City	1,086.42
16	Wicomico	1,083.81
17	Frederick	1,065.73
18	Carroll	1,063.17
19	St. Mary's	1,049.30
20	Caroline	1,024.72
21	Queen Anne's	981.59
22	Cecil	979.66
23	Somerset	970.85
24	Garrett	929.75
		869.47
		862.70

¹Total Current Expenses minus federal funds, state funds (except Foundation share), and local share of Excess Cost Program for Special Education. Data is from MSDE Selected Financial Data, 1976-77, Part I Tables 6 and 7; and Part II, Tables 1 and 8; and from Table C, Cost Estimates of Excess Cost Program for Special Education.

WEALTH PER PUPIL²

<u>RANK</u>	<u>TOTAL STATE:</u>	<u>\$48,785</u>
1	Worcester	\$96,505
2	Talbot	77,928
3	Montgomery	75,373
4	Howard	61,649
5	Baltimore	58,838
6	Calvert	53,947
7	Queen Anne's	51,829
8	Kent	51,273
9	Prince George's	48,369
10	Frederick	46,224
11	Anne Arundel	44,774
12	Carroll	43,670
13	Wicomico	40,709
14	Washington	38,783
15	Harford	38,065
16	Dorchester	37,528
17	Garrett	35,704
18	Allegany	35,681
19	Charles	34,943
20	Cecil	33,701
21	St. Mary's	32,029
22	Baltimore City	31,301
23	Somerset	29,824
24	Caroline	29,026

²Wealth for FY'77 State Aid Calculation, MSDE Selected Financial Data, Part I, Table 8.

TABLE B

LOCAL FUNDS AND LOCAL TAX EFFORT, 1976-77

Local Unit	1				Education as a % of Total County Plus Town Budget
	Local Non- mandated Current Expenses	Local Non- mandated Per Pupil	Local Tax Rate Equivalent for raising Non-mandated	County Tax Rate per \$100	
Total State	\$545,268,187	\$656.59	\$1.95 per \$100	\$2.59 per \$100	44.1%
Allegany	8,842,313	585.86	\$2.78	\$2.40	53.0%
Anne Arundel	36,333,322	489.78	1.56	2.60	50.6%
Baltimore City	69,716,790	455.02	2.36	5.88	25.6%
Baltimore	97,802,649	848.36	2.09	3.11	54.3%
Calvert	4,770,435	693.58	2.03	2.55	54.9%
Caroline	1,859,037	373.38	2.04	2.15	57.9%
Carroll	8,381,738	441.68	1.44	2.50	49.5%
Cecil	4,273,854	332.27	1.42	2.50	60.5%
Charles	8,609,024	513.14	1.87	2.42	70.2%
Dorchester	3,191,113	546.42	2.00	2.69	49.4%
Frederick	10,420,459	469.62	1.47	2.40	54.4%
Garrett	1,536,914	208.45	1.12	2.73	47.1%
Harford	16,179,514	494.92	1.93	2.97	62.5%
Howard	19,082,307	802.25	1.73	2.49	59.6%
Kent	1,824,617	546.62	1.41	2.44	54.2%
Montgomery	122,426,439	1,083.03	2.03	2.78	55.0%
Prince George's	98,874,554	705.62	2.18	3.37	49.7%
Queen Anne's	1,813,435	384.28	.99	1.80	53.9%
St. Mary's	4,555,807	393.11	1.53	2.40	62.9%
Somerset	1,077,663	263.81	1.26	1.90	65.5%
Talbot	2,757,359	630.11	1.00	1.91	39.7%
Washington	11,281,637	519.53	1.98	2.60	54.9%
Wicomico	5,881,680	456.94	1.54	1.90	51.1%
Worcester	3,775,427	628.19	.72	1.65	37.2%

1. Current Expenses minus Federal funds, State funds, and local funds required by Foundation Program, and Excess Cost Program for Special Education.
2. Column 1 per pupil (Table A Column 1, minus Foundation Program funds.)
3. Local non-mandated funds divided by Adjusted Real Property, 7/1/76, MSDE, expressed in dollars per \$100.
4. State of Maryland, Department of Fiscal Services, "Local Government Finances in Md. June 30, 1977, Table I."
5. State of Maryland, Department of Fiscal Services, "Local Government Finances in Md. June 30, 1977, Table III."

TABLE C

FY'80 WEIGHTED ENROLLMENT:

K through 12 = 1 each; 4 year olds = 0.5; Evening High School = 0.25 per course; Adults = 0.05 each, Low Income children 0.25 additional each

	1	2	3	4	5	6
Local Unit	Grades 1 - 12 = 1.0; K=0.5; Evening=0.25 per course	0.5 Kindergarten plus 0.5 for 4 year-olds	FY-77 Adult Education Registrants	Percentage of Low Income Children	Number of Low Income Children	Weighted Enrollment
Total State	794,575	46,964	137,397	21.01%	166,940	890,144
Allegany	14,199	929	1,390	13.74	1,951	15,685
Anne Arundel	72,737	4,468	6,563	9.31	6,772	79,226
Baltimore City	141,278	8,284	29,828	56.89	80,373	171,147
Baltimore	106,838	5,955	26,766	13.8	14,744	117,818
Calvert	7,366	466	1,170	26.21	1,931	8,373
Caroline	4,851	289	946	23.0	1,116	5,466
Carroll	19,834	1,250	2,803	3.2	635	21,383
Cecil	12,847	844	1,176	10.7	1,375	14,093
Charles	17,554	1,011	685	30.6	5,372	19,942
Dorchester	5,516	304	690	14.67	809	6,057
Frederick	23,109	1,598	3,474	8.01	1,851	25,344
Garrett	5,779	390	235	22.0	1,271	6,499
Harford	32,622	2,024	2,987	11.6	3,784	35,741
Howard	25,496	1,532	3,162	5.6	1,428	27,543
Kent	3,101	196	1,975	22.0	682	3,566
Montgomery	105,582	6,058	26,161	5.9	6,229	114,506
Prince George's	132,274	7,237	11,490	15.28	20,211	145,139
Queen Anne's	4,783	272	857	15.0	717	5,278
St.Mary's	11,917	842	2,835	29.4	3,504	13,776
Somerset	3,837	268	861	32.0	1,228	4,455
Talbot	4,226	245	1,245	22.6	955	4,772
Washington	20,943	1,381	1,586	28.0	5,864	23,869
Wicomico	12,204	810	1,469	13.64	1,665	13,504
Worcester	5,682	310	878	31.56	1,793	6,484

1. Projection for September 30, 1978, from MSDE Report to the Governor's Commission on July 11, 1978, p.8.
2. Estimated for September 30, 1978, from MSDE Kindergarten enrollment, September 30, 1977, minus 2%.
3. From "Facts About Maryland Public Education", 1977-78, MSDE, p.34. Not all registrants are taking high school courses.
4. From LEA Applications for ESEA Title I, FY'78 Projects, as listed in MSDE paper entitled, "Selection of Eligible School Attendance Areas."
5. Column 4 multiplied by Column 1.
6. Column 1 plus Column 2 plus 0.05X (Column 3) plus 0.25X (Column 5).

TABLE D

\$1,200 PER PUPIL FOUNDATION PROGRAM FOR FY'80
STATE SHARE 50% LOCAL SHARE 50%

		1		3		4		5		6		7		8	
Local Unit	Weighted Enrollment 9/30/79	Wealth for FY'80 (000)	Total Foundation Program	Local Share 50% LCR= .922%	State Share 50%	Present \$690 Program FY'80 State Share	Difference Between Proposed and \$690 Program	Difference Between FY'79 Actual State Share							
Total State	890,144	\$7,942,078	\$1,068,172,800	\$534,086,400	\$534,086,400	\$298,919,120	\$235,167,280	\$228,900,758							
Allegany	15,685	656,610	18,822,331	6,053,944	12,768,387	6,973,887	5,794,500	5,674,128							
Anne Arundel	79,226	5,158,789	95,071,108	47,564,035	47,507,074	28,005,737	19,501,337	18,878,903							
Baltimore City	171,147	6,074,927	205,375,924	56,010,827	149,365,097	71,359,634	78,005,463	75,461,966							
Baltimore	117,818	9,891,547	141,381,205	91,200,063	50,181,142	31,184,568	18,996,574	17,452,552							
Calvert	8,373	685,515	10,047,189	6,329,668	3,717,520	2,130,526	1,586,995	1,416,420							
Caroline	5,466	208,687	6,559,599	1,924,094	4,635,505	2,449,836	2,185,669	2,151,984							
Carroll	21,383	1,261,307	25,659,962	11,629,251	14,030,712	8,261,840	5,768,872	5,950,997							
Cecil	14,093	619,830	16,911,885	5,714,833	11,197,052	6,199,161	4,997,891	4,999,437							
Charles	19,942	876,597	23,930,989	8,082,224	15,848,765	8,342,893	7,505,872	7,809,818							
Dorchester	6,057	325,294	7,267,919	2,999,211	4,268,708	2,407,276	1,861,433	1,813,799							
Frederick	25,344	1,516,292	30,412,605	13,980,212	16,432,393	9,425,154	7,007,239	7,251,644							
Garrett	6,499	305,491	7,798,362	2,816,627	4,981,735	2,673,899	2,307,836	2,332,403							
Harford	35,741	1,790,662	42,889,306	16,509,904	26,379,402	14,809,333	11,570,069	11,643,277							
Howard	27,543	2,302,662	33,051,341	21,230,544	11,820,797	7,690,793	4,130,004	4,499,621							
Kent	3,566	237,641	4,279,566	2,191,050	2,088,516	1,117,834	970,682	914,232							
Montgomery	114,506	12,495,324	137,406,893	115,206,887	22,200,006	19,121,687	3,078,319	2,364,458							
Prince George's	145,139	8,973,846	174,166,400	82,738,860	91,427,540	52,681,522	38,746,018	38,112,681							
Queen Anne's	5,278	381,872	6,333,183	3,520,860	2,812,323	1,658,220	1,154,103	1,107,456							
St. Mary's	13,776	587,466	16,531,763	5,416,437	11,115,327	5,696,626	5,418,701	5,388,212							
Somerset	4,455	170,480	5,345,460	1,571,826	3,773,634	1,914,466	1,859,168	1,804,444							
Talbot	4,772	541,771	5,726,423	4,995,129	731,294	586,325	144,969	30,297							
Washington	23,869	1,229,466	28,642,956	11,335,677	17,307,279	9,163,966	8,143,313	7,974,356							
Wicomico	13,504	780,567	16,204,880	7,196,828	9,008,052	5,064,322	3,943,730	3,771,693							
Worcester	6,484	868,435	7,780,668	8,006,971	(- 226,303)	186,310	(- 412,612)	(- 618,463)							

1. Table C, Column 6.
2. From MSDE Report to Governor's Commission on July 21, 1978.
3. Column 1 multiplied by \$1,200.
4. Wealth (Column 2) multiplied by Local Contribution Rate of .922%, which is percentage required of LEAs to make up total local share.
5. Column 3 minus Column 4.
6. Present Foundation of \$624 at 55% State Share, and \$66 at 50% State share, is projected using MSDE enrollment projections (Table C Column 1) and MSDE Wealth projections (Table D Column 2).
7. Column 5 minus Column 6.
8. Column 5 minus amount received by each LEA for Foundation Program in FY'79.

TABLE E

\$1,694 PER PUPIL FOUNDATION PROGRAM FOR FY'84
STATE SHARE 50% LOCAL SHARE 50%

1					2		3		4		5	
Local Unit	Weighted Enrollment 9/30/82	Wealth (000)	Total Program \$1,694 Times Weighted Enroll.	Local Share 50% LCR= .729%	State Share 50%							
Total State	821,573	95,433,225	\$1,391,744,600	\$695,872,300	\$695,872,300							
Allegany	13,854	900,611	23,468,207	6,565,454	16,902,753							
Anne Arundel	76,107	9,470,211	128,925,302	69,037,838	59,887,464							
Baltimore City	143,721	8,158,254	243,462,719	59,473,672	183,989,048							
Baltimore	103,718	16,196,523	175,697,485	118,072,653	57,624,832							
Calvert	9,270	1,913,526	15,703,243	13,949,605	1,753,639							
Caroline	5,173	356,188	8,763,348	2,596,611	6,166,738							
Carroll	22,891	2,395,220	38,777,288	17,461,154	21,316,134							
Cecil	13,742	1,034,071	23,279,450	7,538,378	15,741,073							
Charles	21,462	1,475,867	36,355,786	10,759,070	25,596,716							
Dorchester	5,537	521,429	9,380,498	3,801,217	5,579,281							
Frederick	26,715	2,711,536	45,255,395	19,767,097	25,488,297							
Garrett	6,555	531,154	11,103,942	3,872,113	7,231,829							
Harford	35,790	3,147,158	60,627,895	22,942,782	37,685,113							
Howard	31,289	4,519,080	53,003,973	32,944,093	20,059,879							
Kent	3,101	387,057	5,252,423	2,821,646	2,430,778							
Montgomery	101,982	19,944,022	172,757,884	145,391,920	27,365,963							
Prince George's	131,147	13,447,057	222,162,452	98,029,045	124,133,407							
Queen Anne's	5,227	757,323	8,855,304	5,520,885	3,334,420							
St. Mary's	13,944	1,176,880	23,621,249	8,579,455	15,041,794							
Somerset	4,043	288,337	6,848,538	2,101,977	4,746,561							
Talbot	4,283	1,020,783	7,255,159	7,441,508	(- 186,349)							
Washington	22,071	2,018,129	37,388,840	14,712,160	22,676,680							
Wicomico	11,055	1,334,145	20,756,528	9,725,917	11,030,611							
Worcester	5,860	1,728,664	9,926,807	12,601,961	(- 2,675,154)							

1. Enrollment projections presented by MSDE to the Governor's Commission, July 11, 1978, then adjusted as indicated on Table C.
2. From MSDE Report to Governor's Commission on July 21, 1978.
3. Column 1 multiplied by \$1,694.
4. Wealth (Column 2) multiplied by Local Contribution Rate of .729%.
5. Column 3 minus Column 4.

TABLE F

PHASE-IN OF \$1,694 FOUNDATION PROGRAM, STATE SHARES FOR FY'80 THROUGH FY-84

	1	2	3	4	5	6	7	8
	FY'84 Program State Share	FY'80 Present Law State Share	Amount to be Phased in	FY'80 + 20%	FY'81 + 40%	FY'82 + 60%	FY'83 + 80%	Yearly Increments FY'80-FY'84
Total State	\$695,872,300	\$298,919,120	\$396,953,180	\$378,309,756	\$457,700,392	\$537,091,028	\$616,481,664	\$79,390,636
Allegany	16,902,753	6,973,887	9,928,866	8,959,660	10,945,433	12,931,206	14,916,980	1,985,773
Anne Arundel	59,887,464	28,005,737	31,881,727	34,382,083	40,758,428	47,134,773	53,511,119	6,376,346
Baltimore City	183,989,048	71,359,634	112,629,414	93,885,517	116,411,399	138,937,282	161,463,165	22,525,883
Baltimore	57,624,832	31,184,568	26,440,264	36,472,621	41,760,674	47,048,727	52,336,779	5,288,053
Calvert	1,753,639	2,130,526	(- 376,887)	2,055,148	1,979,771	1,904,394	1,829,016	(- 75,377)
Caroline	6,166,738	2,449,836	3,716,902	3,193,216	3,936,597	4,679,977	5,423,358	743,380
Carroll	21,316,134	8,261,840	13,054,294	10,872,699	13,483,557	16,094,416	18,705,275	2,610,859
Cecil	15,741,073	6,199,161	9,541,912	8,107,543	10,015,926	11,924,308	13,832,690	1,908,382
Charles	25,596,716	8,342,893	17,253,823	11,793,658	15,244,422	18,695,187	22,145,951	3,450,765
Dorchester	5,579,281	2,407,276	3,172,005	3,041,677	3,676,078	4,310,479	4,944,880	634,401
Frederick	25,488,297	9,425,154	16,063,143	12,637,783	15,850,412	19,063,040	22,275,669	3,212,629
Garrett	7,231,829	2,673,899	4,557,931	3,585,485	4,497,071	5,408,657	6,320,243	911,586
Harford	37,685,113	14,809,333	22,875,779	19,384,489	23,959,645	28,534,800	33,109,957	4,575,156
Howard	20,059,879	7,690,793	12,369,086	10,164,611	12,638,428	15,112,245	17,586,062	2,473,817
Kent	2,430,778	1,117,834	1,312,944	1,380,423	1,643,011	1,905,600	2,168,189	262,589
Montgomery	27,365,963	19,121,687	8,244,276	20,770,542	22,419,397	24,068,253	25,717,108	1,648,855
Prince George's	124,133,407	52,681,522	71,451,884	66,971,899	81,262,276	95,552,653	109,843,030	14,290,377
Queen Anne's	3,334,420	1,658,220	1,676,199	1,993,460	2,328,700	2,663,940	2,999,180	335,240
St. Mary's	15,041,799	5,696,626	9,345,168	7,565,660	9,434,693	11,303,727	13,172,761	1,869,034
Somerset	4,746,561	1,914,466	2,832,095	2,480,885	3,047,304	3,613,723	4,180,142	566,419
Talbot	(- 186,349)	586,325	(- 772,674)	431,790	277,255	122,721	(- 31,814)	(- 154,535)
Washington	22,676,680	9,163,966	13,512,714	11,866,509	14,569,052	17,271,594	19,974,137	2,702,543
Wicomico	11,030,611	5,064,322	5,966,289	6,257,580	7,450,837	8,644,095	9,837,353	1,193,258
Worcester	(- 2,675,154)	186,310	(- 2,861,463)	(- 385,983)	(- 958,276)	(- 1,530,569)	(- 2,102,861)	(- 572,293)

1. Table E, Column 5.
2. Table D, Column 6.
3. Column 1, minus Column 2.
4. Column 2, plus Column 8.
5. Column 4, plus Column 8.
6. Column 5, plus Column 8.
7. Column 6, plus Column 8.
8. Column 3, divided by 5.

PRESENTATION TO
MARYLAND COMMISSION ON FUNDING OF PUPIL EDUCATION
MR. R. KENNETH BARNES, CHAIRMAN
BY TED J. SMITH, DIRECTOR OF FINANCE
BALTIMORE COUNTY PUBLIC SCHOOLS
AUGUST 22, 1978

Comments which I made at one of your initial sessions, addressed the fact that the present funding levels of categorical grants were counterproductive to the equalization philosophy espoused by the State. You will recall that my data supported this trend. This tendency is not unique to Maryland, but has been experienced by most states in recent years. To date, most school finance reforms have focused on the general equalization aid programs, consequently the condition I just described prevails.

Equalization goals in school finance should include wealth equalization and pupil-need equalization. The latter usually requires a restructuring of the categorical aid programs. Florida, New Mexico, and Utah are several states which have recently gone that route. In many other states the rationale for equalizing numerous categorical aids is being discussed much more frequently. Frankly, in my view, the major opposition seems to come from the bureaucrats at all levels of government whose positions depend upon the mountains of inane paperwork required for categorical aid distribution.

There are four basic factors in the issue of categorical versus general aid. I will address each briefly, and then present a proposal which I feel will begin to move Maryland toward greater equalization.

The first factor concerns equalization goals. If we truly believe in equalization, there is no substantive reason for not equalizing the structure of categorical aid. In fact, evidence suggests that wealth related inequities can creep into the categorical aid process when an equalization formula is not used. This has occurred in many states that use a partial excess cost reimbursement schedule for special education state aid. My Table 1 is a very dramatic example of this phenomenon. The wealthiest subdivision in Maryland will receive the largest per pupil served allocation of special education

aid in 1981! As you know, some states have begun to equalize the allocation of numerous categorical programs by using a pupil weighting system, wherein the costs of education services for various types of students are given a weight relative to the average student and then, via an equalization formula, state aid is allocated on the basis of the number of weighted students in a school district.

The second factor associated with categorical aid is the increasing financial burden such programs are placing on state and local budgets. High-cost special programs have greatly increased the percent of the total budget consumed by categorical programs, especially special education. This growth, in the absence of an equalization approach, tends to disequalize total aid.

The third factor, really a corollary of the second, is the emerging competition at all levels of government between categorical and general aid dollars. The growth of categorical aid has decreased absolutely, as well as relatively, the number of state dollars for the general aid formula. At the local level, a similar kind of competition is developing. In fact, the rapid and quite visible expansion of special education, a service receiving almost universal support in the past, has produced negative reactions among parents of "normal" children who feel the non-special student is being neglected. Whatever the truth of this point of view, there is an emerging competition between categorical and general aid in federal, state, and local education budgets.

Finally, the proliferation of categorical aid programs has created the need for a whole host of middle management types who busy themselves approving projects which in the main represent programs which have already been approved and budgeted by local boards of education. Further, additional auditing activity is necessary to insure compliance with various regulations which are often misinterpreted. After fifteen years in this business, I am convinced that the major beneficiaries of categorical aid are those individuals who shuffle the paper necessary to move the

dollars from one bank to another. Further, I am convinced that, unless procedures are simplified via a greater emphasis on general aid, the systems will collapse. One of the major reasons behind the growth in expenditures demonstrated in Table 2 is the growth of categorical programs.

I believe that pupil weighting and municipal overburden are factors which can be included in a general education aid formula. I also recognize the political reality which mitigates against undoing inequities of the past. Given those beliefs, I have developed an approach to state aid revision which I feel will improve education aid distributions in Maryland. Tables 3, 4, 5, and 6 reflect the distribution of \$40,000,000 under different assumptions about pupil weighting and municipal overburden.

The balance of my report will discuss, where necessary, each of the data elements used to generate the various distributions. I recognize that some of the data will need to be updated, but I feel the approach is sound. Further, the indexes will need to be reviewed by those with more statistical expertise than I, but here too, I feel confident that my approach provides a reasonably equitable distribution.

Data Elements

Enrollment - 9/30/76 - Preceding year should be used to allow accurate calculation of entitlement.

Enrollment Index - Includes a transportation index which recognizes density and % of pupils transported variances. The index also includes a special education weighting which is based on 1981 State aid (Tables 3 & 4)/1981 SSIS information in support of PL 94-142 applications (Tables 5 & 6).

Total Wealth - As per current legislation.

Overburden Index - See footnote to exhibits. The relationships assume a reasonable distribution of expenditures in previous years.

State Share Per Unadjusted Pupil - System's share of the \$40 million program divided by Column 1.

Guarantee Per Pupil - Current aid provided by Current Expense, Transportation, Handicapped, and FICA grants divided by Column 1. Guarantees 1979 level of funding per pupil into the future. Essentially, you have a two-tiered program.

The major advantages related to this approach are:

1. Greater equalization
2. Hold harmless - retain pre-1980 levels
3. Reduction of paper work
4. Corrects present special education inequities
5. Eliminates social security audit
6. Permits more accurate cost reporting at the local level
7. Responds to future law suit potential
8. Reliance on more equitable tax base

ENROLLMENT INDEX RATIONALE
IN SUPPORT OF
STATE AID PROPOSALS
(TABLES 3,4,5, AND 6)

I. Pupil Weighting for Transportation - The indexes discussed below were combined to reflect a pupil weighting which would represent pupil transportation needs specific to each school system relative to the State average.

A. Density - This index was developed from information gathered for a recent study of the transportation aid formula. The number of pupils transported per square mile for each school system was related to the State average to develop a density ratio.

B. % Transported - This index was developed by using data regarding % of pupils transported used in recent testimony by the Maryland Association of Counties to this Commission. Each school system's % figure was indexed to the State average.

II. Pupil Weighting For Special Education Services -

Tables 3 and 4

State aid to be provided in 1981 was used to develop an index to recognize special education service needs. State aid to each system was related to total State aid.

Tables 5 and 6

SSIS information which was submitted to the State in support of its federal aid application was related to the enrollment of 9/30/76 to determine the % of pupils receiving services. Each system's % was related to the State-wide % to develop a ratio.

STATE OF MARYLAND
SPECIAL EDUCATION AID
AND PUPILS TO BE RECEIVING SERVICE
FISCAL YEAR 1981

<u>SCHOOL SYSTEM</u>	<u>STATE AID</u>	<u>PUPILS TO BE RECEIVING SERVICE</u>	<u>AMOUNT PER PUPIL</u>	<u>RANK BY AMOUNT/ PUPIL</u>	<u>CURRENT EXP./PUPIL AID RANK</u>
Allegany	\$ 1,010,504	2,578	\$ 391	21	7
Anne Arundel	5,641,501	8,736	645	9	14
Baltimore City	21,356,007	30,233	706	6	1
Baltimore	6,344,304	9,560	663	7	20
Calvert	367,962	1,193	308	22	17
Caroline	349,101	777	449	17	3
Carroll	1,140,247	2,133	534	14	13
Cecil	860,518	1,596	539	13	6
Charles	1,183,386	2,484	476	16	8
Dorchester	386,764	743	520	15	10
Frederick	1,300,877	3,076	422	19	15
Garrett	406,811	2,225	182	24	5
Harford	2,092,549	2,947	710	5	9
Howard	1,974,100	3,191	618	10	21
Kent	338,471	379	893	2	19
Montgomery	8,710,548	8,471	1,028	1	22
Prince George's	12,046,484	15,997	753	4	16
Queen Anne's	281,193	506	555	12	18
St. Mary's	1,170,817	1,464	799	3	4
Somerset	282,240	504	560	11	2
Talbot	315,641	711	443	18	23
Washington	1,411,880	3,543	398	20	11
Wicomico	818,756	1,258	650	8	12
Worcester	209,339	709	295	23	24
STATE TOTAL	<u>\$70,000,000</u>	<u>105,014</u>	<u>\$ 666</u>	-	-

COMPARISONS OF GROWTH RATES OF

Table 2

GOVERNMENTAL EXPENDITURES TO

THE CONSUMER PRICE INDEX

1967 to 1978

	<u>1967</u>	<u>1978</u>	<u>% Increase</u>	<u>Annual Avg. %</u>
ALL LOCAL GOVERNMENT EXPENDITURES ⁽²⁾	\$1,033,980,064	\$3,906,563,733 ⁽¹⁾	277.8	25.3
EXPENDITURES PER CAPITA	280.82	935.48 ⁽¹⁾	233.1	21.2
STATE GOVERNMENT EXPENDITURES	1,241,789,501	4,897,982,242 ⁽¹⁾	294.4	26.8
EXPENDITURES PER CAPITA	337.26	1,172.89 ⁽¹⁾	247.8	22.5
BALTIMORE COUNTY GOVERNMENT EXPENDITURES ⁽³⁾	105,287,083	324,488,727	208.2	18.9
EXPENDITURES PER CAPITA ⁽³⁾	183.79	484.31	163.5	14.9
BALTIMORE COUNTY BOARD OF EDUCATION EXPENDITURES	75,884,556	217,717,319 ⁽⁴⁾	186.9	17.0
EXPENDITURES PER PUPIL	673.55	1,963.86	191.6	17.4
ALL BOARD OF EDUCATION EXPENDITURES	433,033,100	1,520,492,874 ⁽⁴⁾	251.1	22.8
EXPENDITURES PER ADA	606.91	2,069.55	241.0	21.9
EXPENDITURES PER ADM.	562.97	1,885.15	234.9	21.4

CPI

	<u>1967</u>	<u>1978</u>	<u>% Increase</u>	<u>Annual Avg. %</u>
CPI All Items	100.0	198.0	98.0	8.9
CPI Food and Beverages	100.0	210.0	110.0	10.0
Food away from home	100.0	221.1	121.1	11.0
Alcoholic beverages	100.0	175.0	75.0	6.8
Housing	100.0	212.0	112.0	10.2
Fuel and other utilities	100.0	227.5	127.5	11.6
Household furnishings and operation	100.0	180.9	80.9	7.4
Apparel and upkeep	100.0	175.6	75.6	6.9
Transportation	100.0	173.3	73.3	6.7
Medical care	100.0	218.0	118.0	10.7
Entertainment	100.0	174.3	74.3	6.8
Other goods and services	100.0	175.6	75.6	6.9

(1) Assumes 4% growth in 1978 over 1977

(2) Includes total education expenditures

(3) Includes General Fund Appropriation to Education

(4) Budget figure

TO DISTRIBUTE APPROPRIATELY \$40 MILLION IN ADDITIONAL AID
AND PHASE OUT TRANSFORMATION, HANDICAPPED AND FTCA GRANTS
(INCLUDES OVERBURDEN ADJUSTMENT)

TABLE 3

SCHOOL SYSTEM	9/30/76 Enrollment	Enrollment Index	(1) Total Programs (1) x (2) x \$76	Total Wealth	Overburden Index	(2) Adjusted Wealth (4x5)	Local Share (.00074x5)	State Share (3-7)	(3) State Share Per Unadj. Pupil	Guarantee Per Pupil	(4) Total Aid Per Unadj. Pupil
Allegany	15,638	1.220	\$ 1,449,328	\$ 656,610	1.22	\$ 801,064	\$ 592,787	\$ 257,141	\$54	\$675	\$729
Anne Arundel	77,049	1.209	7,079,552	5,158,789	.96	4,952,437	3,664,803	3,414,749	44	565	529
Baltimore City	159,038	1.229	14,858,732	6,074,927	.46	2,794,466	2,067,904	12,786,828	80	650	770
Calvert	118,644	1.164	0,513,384	9,891,547	.99	9,792,631	7,426,546	3,266,838	27	453	460
Cecil	7,236	1.254	689,548	636,515	1.02	700,245	518,181	171,367	23	558	581
Carroll	5,154	1.293	506,464	208,687	1.16	247,076	179,136	327,328	63	748	811
Cecil	15,629	1.248	1,880,696	1,261,307	.97	1,223,467	905,365	975,331	49	643	692
Charles	13,310	1.240	1,254,304	619,830	1.20	743,796	550,409	703,895	52	683	735
Frederick	17,357	1.261	1,663,412	876,597	1.31	1,148,312	849,773	813,639	46	757	803
Frederick	6,032	1.309	599,564	325,294	1.20	390,352	288,860	310,704	51	667	719
Garrett	22,958	1.228	2,142,592	1,316,292	1.14	1,728,572	1,279,143	863,449	37	633	670
Harford	3,344	1.345	597,360	305,491	.90	274,941	203,456	393,904	67	757	824
Kent	33,555	1.215	3,125,380	1,790,662	1.20	2,148,794	1,590,107	1,545,273	45	646	691
Montgomery	24,667	1.215	2,276,608	2,302,662	1.09	2,509,501	1,857,326	419,482	17	563	580
Prince George's	3,444	1.236	323,456	237,641	1.11	263,781	195,197	128,259	37	649	686
Queen Anne's	117,630	1.178	10,531,168	12,495,324	1.04	12,935,136	9,616,400	914,768	7	375	392
St. Mary's	144,747	1.209	13,293,924	8,973,846	.94	8,435,415	6,242,207	7,057,717	48	590	638
Somerset	12,159	1.301	482,904	381,872	1.13	431,515	319,321	701,612	33	625	658
Talbot	4,266	1.290	1,205,852	597,466	1.16	621,460	504,280	701,612	60	760	817
Washington	4,500	1.277	420,128	541,771	1.23	666,778	493,119	296,311	40	621	661
Wicomico	22,314	1.226	2,079,056	1,229,466	1.30	1,598,305	1,182,745	610,411	45	622	667
Worcester	13,313	1.237	1,251,568	780,567	1.11	864,429	641,157	610,411	45	622	667
Worcester	6,201	1.253	590,444	668,435	1.03	894,488	661,921	610,411	45	622	667
STATE TOTAL	860,379	-	\$73,264,560	\$57,942,078	-	\$56,502,205	\$41,811,621	\$37,581,239	-	-	-

TJS:vt

Office of Finance - 8/1/78

- (1) See Index Rationale Attached.
(2) Index To Adjust Wealth.
(3) Will Not Agree In Total Due To Talbot And Worcester Negative
(4) Current Program Level in 1980 ± 9/30/76 Enrollment

STATE EDUCATION AID PROPOSAL
TO DISTRIBUTE APPROXIMATELY \$40 MILLION IN ADDITIONAL AID
AND PHASE OUT TRANSPORTATION, HANDICAPPED AND FICA GRANTS
(EXCLUDES OVERORDER ADJUSTMENT)

TABLE 4

SCHOOL SYSTEM	9/30/76 Enrollment	Enrollment Index	Total Programs (1)x(2)x576	Total Wealth	Local Share (.0069xcol.4)	State Share (3-5)	State Share Per Unadj. Pupil	Guarantee Per Pupil	Total Aid Per Unadj. Pupil
Allegany	15,638	1.320	\$ 1,449,928	\$ 656,610	\$ 453,060	\$ 996,868	\$63	\$675	\$738
Anne Arundel	77,049	1.309	7,079,552	5,158,789	3,559,564	3,510,268	45	565	630
Baltimore City	153,038	1.229	14,054,732	6,077,927	4,191,639	10,663,033	67	690	757
Baltimore	118,844	1.167	10,513,384	9,091,547	6,025,167	3,668,217	31	453	484
Calvert	7,336	1.254	609,548	685,515	473,685	215,853	29	558	597
Caroline	5,154	1.293	506,464	208,687	143,934	362,470	70	746	818
Cecil	19,829	1.243	1,880,696	1,261,307	870,391	1,010,395	50	746	818
Charles	3,310	1.249	1,663,412	619,830	427,682	826,632	62	643	693
Dorchester	7,357	1.267	599,564	876,597	604,851	1,058,561	60	757	817
Frederick	4,032	1.308	1,254,304	325,294	224,452	375,112	62	757	817
Garratt	22,958	1.229	2,142,552	1,516,292	1,046,241	1,096,351	47	667	729
Harford	5,844	1.345	597,360	305,991	210,788	386,572	66	633	680
Howard	31,955	1.215	3,133,380	1,790,662	1,235,556	1,899,834	55	757	823
Kent	4,657	1.236	2,276,808	2,302,662	1,508,836	687,972	27	646	701
Montgomery	3,444	1.215	323,456	237,641	163,972	159,484	46	563	590
Prince George's	117,630	1.174	10,531,168	12,495,324	8,621,773	1,909,395	16	649	695
Queen Anne's	14,747	1.209	13,299,924	8,973,846	6,191,953	7,107,971	49	375	391
St. Mary's	4,884	1.307	482,904	381,872	263,991	219,413	44	550	639
Somerset	18,159	1.309	1,205,852	587,466	405,351	800,541	65	625	669
Talbot	1,286	1.290	420,128	170,480	117,631	302,497	70	760	825
Washington	4,500	1.277	436,696	541,771	373,821	62,875	13	658	768
Wicomico	22,314	1.226	2,079,056	1,219,466	846,331	1,210,725	55	621	393
Worcester	1,313	1.237	1,251,568	760,567	538,591	712,977	53	622	675
	6,201	1.253	599,444	868,135	599,220			276	276
STATE TOTAL	860,772		\$79,264,960	\$57,942,078	\$39,980,020	\$39,293,716			

(1) See Index Rationale Attached
(2) Will Not Agree in Total Due To Worcester Negative
(3) Current Program Level in 1980 + 9/30/76 Enrollment

STATE EDUCATION AID PROPOSAL
TO DISTRIBUTE APPROXIMATELY \$40 MILLION IN ADDITIONAL AID
AID PHASE OUT TRANSPARENTATION, HANDICAPPED AND FTCA GRANTS
(INCLUDES OVERBURDEN ADJUSTMENT)

TABLE 5

SCHOOL SYSTEM	9/30/76 Enrollment	Enrollment Index	Total Programs (1) x (2) x \$76	Total Wealth	Overburden Index	Adjusted Wealth (4x5)	Local Share (1,00068x6)	State Share (3-7)	State Share Per Pupil	Guarantee Per Pupil	Total Aid Per Pupil
Allegany	15,638	1.276	\$ 1,516,510	\$ 656,610	1.22	\$ 801,064	\$ 544,723	\$ 971,787	\$62	\$675	\$737
Anne Arundel	77,049	1.212	7,097,137	5,150,789	.96	4,952,437	3,367,657	3,779,480	48	585	633
Baltimore City	155,038	1.220	14,746,003	6,074,789	.46	2,794,456	1,900,236	12,845,767	80	690	770
Baltimore	118,644	.165	10,532,447	9,891,517	.99	9,792,631	6,658,589	3,663,458	32	453	485
Calvert	7,236	.326	730,315	686,515	1.02	700,245	476,166	254,149	35	558	593
Carroll	5,154	.334	522,533	208,687	1.16	242,076	164,611	357,922	69	748	817
Cecil	19,629	.267	1,809,374	1,261,207	.97	1,223,467	831,957	1,077,417	54	643	697
Charles	13,310	.259	1,773,554	619,830	1.20	743,796	505,781	767,773	57	683	740
Comstock	17,357	.254	1,773,554	619,830	1.20	1,148,342	780,872	926,084	53	757	810
Frederick	6,032	.269	609,714	876,597	1.31	1,223,467	265,439	344,275	57	667	724
Garrett	5,844	.211	630,194	325,294	1.14	1,728,572	1,175,428	1,038,733	45	633	678
Harford	33,955	.223	3,125,082	1,790,662	1.20	2,748,241	1,86,959	511,235	87	757	844
Howard	24,657	.223	2,291,818	2,302,662	1.09	2,509,901	1,706,732	585,086	49	646	695
Kent	3,444	.306	361,837	237,641	1.11	263,781	179,371	162,466	23	563	586
Montgomery	117,630	.146	10,346,102	12,495,324	1.04	12,995,136	8,036,692	7,442,842	47	649	696
Prince George's	144,747	.198	13,178,924	8,973,846	.94	8,435,415	5,736,082	1,408,410	11	375	386
Queen Anne's	4,684	.316	468,478	381,872	1.13	431,515	293,430	195,048	51	590	641
St. Mary's	12,159	.285	1,187,447	587,466	1.16	681,460	463,392	724,055	39	625	664
Sorcerer	4,286	.307	421,736	170,480	1.28	218,214	148,385	277,351	64	698	762
Talbot	4,500	.321	451,782	541,771	1.23	666,378	453,137	1,080,467	48	380	428
Washington	22,314	.278	2,117,314	1,229,466	1.30	1,598,305	1,086,847	664,434	49	621	670
Wicomico	13,313	.239	1,233,605	780,567	1.11	866,429	589,171	664,434	49	621	670
Worcester	6,201	.305	615,015	868,435	1.03	894,468	608,251	6,764	1	276	277
STATE TOTAL	660,379		\$79,319,038	\$57,942,075		\$56,502,205	\$38,427,487	\$40,898,906			

- (1) See Index Narrative Attached
(2) Index to Adjust Wealth:
(County Ed. Exp. - All Exp.) + (All County Ed. Exp. + All County Total Exp.)
(3) Will Not Agree On Total Due To Talbot Negative
(4) Current Program Level In 1980 + 9/30/76 Enrollment

STATE EDUCATION AID PROGRAM
TO DISTRIBUTE APPROXIMATELY \$40 MILLION IN ADDITIONAL AID
AND PHASE OUT TRANSPORTATION, HANDICAPPED AID FICA GRANTS
(EXCLUDES OVERBURDEN ADJUSTMENT)

TABLE 6

SCHOOL SYSTEM	9/30/76 Enrollment	Enrollment Index	Total Program (1)(1)(2)(4)76	Total Waiver	Local Share (1,00070xCol. 4)	State Share (3-5)	State Share Per Pupil	Guarantee Per Pupil	Total Aid Per Pupil
Allegany	15,638	1.276	\$ 1,516,510	\$ 656,610	\$ 459,627	\$ 1,056,881	\$67	\$675	\$742
Anne Arundel	77,049	1.212	7,097,137	5,158,789	3,611,152	3,485,985	45	585	630
Baltimore City	159,038	1.220	14,746,003	6,074,927	4,252,446	10,931,555	65	690	755
Baltimore	118,044	1.165	10,532,447	9,891,547	6,924,002	3,598,365	30	453	483
Calvert	7,236	1.328	720,315	606,515	460,560	249,755	34	558	592
Carroll	5,154	1.334	522,533	208,687	146,080	376,453	73	748	821
Cecil	19,629	1.267	1,909,374	1,261,307	802,914	1,026,460	51	643	694
Charles	13,310	1.259	1,273,554	619,830	433,881	835,673	63	683	746
Dorchester	7,357	1.294	1,206,956	876,597	613,617	1,093,139	62	757	819
Frederick	6,032	1.310	609,714	325,294	227,705	382,009	63	667	730
Gaithersburg	22,958	1.259	2,214,161	1,516,292	1,061,404	1,157,757	50	633	683
Harford	5,844	1.211	698,194	305,191	213,843	484,351	82	757	839
Howard	33,955	1.223	3,125,082	1,750,662	1,253,463	1,871,619	55	646	701
Kent	26,657	1.206	2,291,818	2,302,662	1,611,663	679,555	27	563	550
Montgomery	3,444	1.306	341,837	237,641	166,348	175,489	50	649	699
Prince George's	17,630	1.146	10,245,102	12,495,324	8,746,716	1,488,376	12	375	387
Queen Anne's	44,767	1.198	13,179,524	8,973,646	6,281,692	6,897,232	47	590	637
St. Mary's	4,884	1.316	488,478	381,872	267,310	221,168	45	625	670
Sorrelles	12,159	1.305	1,187,447	587,466	411,226	776,221	63	760	823
Talbot	4,500	1.321	451,762	541,771	119,336	306,400	71	698	769
Washington	22,314	1.378	2,167,314	1,229,466	375,239	72,543	16	380	396
Wicomico	13,313	1.339	1,251,605	720,567	600,626	1,306,688	58	621	679
Worcester	6,201	1.305	615,015	868,432	546,336	707,209	51	622	675
STATE TOTAL	860,379	-	\$79,319,038	\$57,942,078	\$40,559,442	\$38,759,556	-	276	277

TJS:vc
Office of Finance - 8/1/78
(1) See Index National's Attached
(2) Current Program Level in 1980 & 9/30/76 Enrollment;

Printed by
FREE STATE PRESS
Annapolis, Maryland
January 1979/800